The NATIONAL UNDERWRITER

Season's Greetings!

We Pause

to Extend Greetings

and Express

Our Genuine Appreciation

for Your Friendship

and Good Will

KURT HITKE & CO., INC.

Managing General Insurance Agents Since 1926

ATLANTA — BALTIMORE — CHICAGO — DALLAS — DENVER — LOS ANGELES — MIAMI — SAN FRANCISCO — SPRINGFIELD

FRIDAY, DECEMBER 20, 1957

XUM

CAPITAL STOCK
Standard protection
COMPANY INSURANCE

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
ORGANIZED 1855

☆

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.
ORGANIZED 1866

☆

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.
ORGANIZED 1852

☆

ROYAL GENERAL INSURANCE COMPANY OF CANADA
ORGANIZED 1906

☆

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK
ORGANIZED 1874

☆

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.
ORGANIZED 1909

☆

YOUR Independent Insurance AGENT "SERVES YOU FIRST"

LOYALTY GROUP

Home Office: TEN PARK PLACE, NEWARK 1, NEW JERSEY

Western Department 120 South La Salle Street, Chicago 3, Ill

Pacific Department 220 Bush Street, San Francisco 6, Calif

Southwestern Department 912 Commerce St., Dallas 22, Tex

Canadian Departments 800 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver 3, B C

Foreign Departments: 102 Maiden Lane New York 5, New York
206 Sansome St., San Francisco 4, Calif

The NATIONAL UNDERWRITER

61st Year, No. 51 — *The National Weekly Newspaper of Fire and Casualty Insurance* — Dec. 20, 1957

Holz Stands Pat On Denial Of Increase In Blue Cross Rate

Tells Metcalf Committee His Decision Was Sound: Opposes Mandatory 120-Day Contract

By JOHN B. LAWRENCE JR.

NEW YORK—Bitter arguments between Superintendent Holz and the Metcalf committee over his denial of a 43.8% premium rate increase to Rochester Hospital Service Corp. (Blue Cross) marked a day-long hearing on Blue Cross and A&S matters, here.

Tempers also flared during the discussion of Mr. Holz' report on the department's statewide study of A&S coverages. Sen. Metcalf, referring to the superintendent's figures on "cancellable" policies, said either Mr. Holz did not understand his own statistics or was misleading the committee by not placing all the facts at its disposal. Mr. Holz denied angrily that he attempted to deceive the committee.

Although several proposed amendments to the insurance law were discussed, including one that would allow Blue Cross plans to write major medical in competition with A&S insurers, the highlight of the day was the spirited verbal battle between Mr. Holz and Sen. George R. Metcalf of Auburn, chairman of the New York state joint legislative committee on health insurance plans.

In his opening remarks, Sen. Metcalf said the committee had not taken any stand on the superintendent's denial of the Rochester rate increase but was vitally interested in why he turned down the plan's proposal for broader benefits. There is reason to believe, he said, that substantial and widespread support for increased basic benefits exists in Rochester.

•

The managing director of the Rochester Blue Cross, David W. Stewart, said the plan made available in July of 1956 a series of 15 riders to groups of 25 or more. The response indicated the direction of benefit expansion. As a result, the plan proposed a broadened basic community contract that would have extended full semi-private hospital care from 30 to 120 days per admission. The rate increase would have provided for rising hospital costs and the broadened benefits.

Superintendent Holz then attempted to question Mr. Stewart, but was balked by Sen. Metcalf.

The committee took testimony from several persons in support of the rate and benefit increases. Harry Becker of the Blue Cross Association, called for an increase in benefits to a level where everyone in the community is covered for any and all hospital costs.

Mr. Holz, obviously angered by the criticism of his decision, declared that he was not before the committee to defend the Rochester ruling. The de-

(CONTINUED ON PAGE [illegible])

To Try Modernizing New York Property Insurance Laws

NEW YORK—An industry multiple line study and advisory committee to work closely with a similar group of insurance department officials, with the purpose of modernizing and getting consistency in the state's multiple line laws, was undertaken at a meeting here.

After department officials headed by Henry Schantz, assistant deputy superintendent, had explained the department's purpose, Joseph F. Murphy, counsel of America Fore, presided over an industry session at which the industry governing committee was tentatively outlined.

Creation of the committee was asked by Superintendent Holz. The department feels that multiple line laws have not kept pace with the progress of the business, and wants to reevaluate all aspects of state insurance law applying to property insurance. The objective is to make the laws consistent, up to date, and capable of application to future developments.

Among the inconsistencies which should be eliminated, W. C. Gould, chief of the department's property bureau, cited disparity of the law governing the payment of dividends to stock-

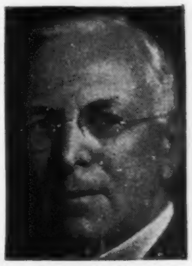
(CONTINUED ON PAGE 36)

Norman J. Kuhlman, director of electronics for Zurich, shown with one of the company's IBM data processing machines. Story on page 17.

E. A. Henne To Retire Jan. 1 After 45 Years With America Fore

America Fore has named Herman P. Winter, vice-president of the fire companies, to succeed Ernest A. Henne, vice-president and manager of the

Herman P. Winter



Ernest A. Henne

western department at Chicago, who will retire Jan. 1 after 45 years with the group.

Mr. Henne was born in Germany in 1877, but moved to the United States at an early age and was raised at Fort Scott, Kan. He was in the painting business from 1891 until 1899, and then engaged in railroading for two years, returning to painting until 1907 when he went into the agency business at Fort Scott. Later he traveled as special agent in Kansas and Oklahoma until 1912 when he joined the Continental as special agent in Oklahoma. He subsequently represented Continental in Iowa and western Missouri, and in 1917 was called to the western department at Chicago, becoming executive special agent.

In 1920 Mr. Henne was appointed resident secretary of American Eagle at Chicago, and four years later became secretary of all the fire companies. Later he became vice-president and western manager.

•

As vice-president and western manager of the America Fore fire companies, Mr. Henne has been one of the leading insurance figures in the west. He is a past president of Western Un-

(CONTINUED ON PAGE 36)

Late News Bulletins . . .

Fire Losses Decline In November 6.4%

National Board reports that fire losses in the U. S. in November totaled $75,-321,000, a decrease of 6.4%, from November, 1956. For the 11 months the total stands at $931,671,000, which is 4.4% more than in the 11 months of 1956. On the basis of these figures, it is apparent that 1957 will be the first $1 billion fire loss year.

NAIA Staff Reassignments

National Assn. of Insurance Agents has made two assignments. James R. Mathews, editor of *American Agency Bulletin* and director of promotion and publicity, will concentrate full time on promotional activities and devote particular attention to the planned advertising program, with which he has been associated since its initial planning. He has been editor of the bulletin eight years.

Carlton E. Thomas, who joined NAIA last August as assistant director of promotion and assistant editor and advertising manager of the bulletin, has been named editor of the magazine and will devote his full time to it. He is a former managing editor of the *Star-News* newspapers of Wilmington, N. C.

Auto Market in N. Y. Tightens As Insurers Feel Losses Pinch

Some Modify Commissions Slightly, Cut Dividends, Guard Against Dumped Risks

NEW YORK—The automobile insurance market situation in this state currently is in the process of tightening up. With automobile liability the worst of the lines that have caused the insurers so much loss of surplus country over, a number of companies have tightened up generally on automobile wherever they write it. With compulsory in New York and the refusal of the insurance department to grant a rate increase which was badly needed, many of the insurers have taken or plan to take special measures in this state.

The situation isn't helped any by word from New Jersey that Commissioner Howell was insisting on granting increases in auto coverages substantially less than those asked some months ago by the rating bureaus.

Fidelity & Casualty, the America Fore casualty insurer, has announced a reduction, effective Feb. 1, in brokerage commissions on auto business in the five boroughs comprising New York City, which is regarded by all hands as the worst area in the U.S., by far.

•

F.&C. will reduce from 20 to 15% commissions on BI, PDL, medical payments and miscellaneous liability coverages, and from 25 to 20% the commission on the physical damage coverages. Brokerage commissions to producers on New York State auto business rated outside the five boroughs will be 18% on BI, PDL, medical payments and miscellaneous liability coverages. This is a single commission factor, whereas the company previously, and other companies presently, pay 17.5% on BI and 20% on PDL. The PHD commission stays at 25% and that on taxies, liveries, buses except school business, drive-it-yourself, intermediate or long distance trucking, remains at 10% in all territories.

America Fore points out that it is seeking to keep the market open for auto business despite adverse loss experience. One company that has used the 18% single factor on BI and PDL for several years found this one simplification saved thousands of dollars a year and produced uniformly about the same dollar commission for the producer.

Phoenix of Hartford, not a large writer of auto, at least in the metropolitan area, has put in a new commission scale there and has quit writing auto business on the installment plan. It is estimated that in the metropolitan area, where the auto premium per car runs as high as $400 or

(CONTINUED ON PAGE 30)

XUM

Service of Process Acts Get New Scope From Supreme Court

Mere Mailing Of Renewal Premium Notice Is Enough To Bring Law Into Play

WASHINGTON—Just the mailing of a renewal premium notice on a policy issued to a policyholder residing in a state where the insurer is not licensed is enough to subject the company to the state's unauthorized insurers service of process act, the U. S. Supreme Court has unanimously ruled in McGee vs International Life of Texas.

The decision, handed down Monday, means that the barest "minimum contact" is enough to bring the service of process law into play. In fact, the contacts in the McGee case were about as "minimum" as it would be possible to find. The contact was confined to mailing premium notices to a California policyholder who had bought an accident policy from a company which International reinsured in 1948 before the California service of process act when into effect. Lowell S. Franklin, the policyholder, died in 1950.

Mrs. Lulu McGee, the plaintiff's mother and beneficiary, sought to collect under the policy. International denied liability, contending the policyholder had committed suicide. Mrs. McGee sued in California and service was had on the insurer under the service of process act. International failed to appear and a default judgment was taken, under which suit was filed in Texas. The supreme court of Texas upheld the lower state courts in denying the validity of the California statute and the question was submitted to the U. S. Supreme Court.

The Supreme Court decision is expected to affect not only the operations of various types of insurers but on banks and corporations generally, since the opinion was not limited to insurance companies.

•

Justice Black, who wrote the opinion, said residents of states having claims against unlicensed insurers "would be at a severe disadvantage if they were forced to follow the insurance company to a distant state in order to hold it legally accountable. When claims were small or moderate, individual claimants frequently could not afford the cost of bringing an action in a foreign forum—thus, in effect, making the company judgment-proof."

Justice Black also pointed out that International Life had never "had any offices or agents in California and never solicited or done any insurance business in California apart from the policy involved here." In previous similar cases there has been considerable evidence to the effect that the company was "doing business" in the state where it was not licensed, such as by having its policyholders act as solicitors or doing a regular mail solicitation business.

The Texas courts based their decision on the 1878 U. S. Supreme Court decision in Pennoyer vs Neff. This held that state courts could not get jurisdiction over a "person," including a corporation, unless he or his agent were physically within the state and served with legal process there. That decision was based on the "due process" provision of the Constitution. The court held that it violated the "due process" provision for a state to exercise power over persons not within its borders.

However, in recent years, as in the Virginia vs Travelers Health Assn., for example, the Supreme Court has been allowing state courts to serve process by mail and take jurisdiction where out-of-state corporations have certain "minimum contracts" within the state.

Insurance and Reinsurance

for experienced attention

USE A *Stewart·Smith* OFFICE

CHICAGO, Illinois................*Board of Trade Bldg.*
NEW YORK, N. Y......................*116 John Street*
PHILADELPHIA, Pa................*Public Ledger Bldg.*
BIRMINGHAM, Ala..................*Frank Nelson Bldg.*
MONTREAL, Que., Canada.......*630 Sherbrooke St. West*
TORONTO, Ont., Canada..............*48 Front St. West*
VANCOUVER, B. C., Canada....*629-470 Granville Street*
LONDON E.C. 3, England...............*1 Seething Lane*

For Brokers • Agents • Companies
always at your service
AROUND THE CLOCK

Investment Analyst Strongly Recommends Fire, Casualty Stocks For Growth, Income

Kidder, Peabody & Co. of New York has just issued a year-end reappraisal of fire and casualty insurance stocks, prepared by Robert Chaut, which reflects both short and long term optimism for the purchaser of this type of security. Mr. Chaut, the company's specialist in this field, strongly recommends selected fire and casualty stocks "for growth and income."

He points out that although 1956-57 underwriting experience has been the poorest in history, basic improvements in this segment of operations should occur in the not too distant future. Adequate premium rate increases in the more important coverages appear to be developing in many areas. Any short term leveling-off of the general price structure could be particularly advantageous to the fire-casualty companies since losses are based on replacement costs which, in turn, vary in direct relation to the price level. Thus these stocks may be termed excellent "post-inflation" investments.

In addition, though direct writer competition and potential long term inflation are still basic problems for the business, the unfavorable effects of these factors appear less important currently than in the last several years.

Major fire-casualty insurance stocks are selling 36.5% below their 1955 "highs" versus a 10% decline in Standard & Poor's industrial stock price index over the same period. Fire-casualty stocks presently are available at historically low levels on a yield basis and in relation to net worth and investment income.

The companies presently are earning 9.1% before taxes on current market prices from investment income along, Mr. Chaut comments. If they could approximate underwriting profit margins equal to the average of the last 10 years, they would earn an additional 7.8% (before taxes) on present market values from underwriting operations. On this basis, the major stocks are selling at less than nine times such potential earning power after taxes, an attractive ratio considering the excellent growth potential of the industry.

Dividend payments, which now provide an average 4.9% yield on market prices, could be increased substantially with realization of underwriting profits, he adds.

The relatively unfavorable market action of the insurance stocks has not been surprising in view of the fact that recent underwriting losses have been the greatest in history. As the result of sharp increases in insurance claims and inadequate premium rates, the 2.2% average underwriting profit of 30 major stock companies in 1955 became a loss of 2.7% in 1956 and a 5.5% loss in the 1957 first half. While the "market" has always tended to give the greatest weight to underwriting trends, net premium volume and invested assets of the companies presently are at or close to all-time highs.

"We believe the long-term strength and recuperative power of this indispensable industry has been proved over its long history," Mr. Chaut writes. "Periods of poor underwriting experience have ultimately been followed by rate increases and underwriting recovery. As the result of certain improvements that have already taken place in the industry's basic position and others that are expected to occur in the next several months, we believe that at current depressed levels, many of the fire-casualty insurance equities represent attractive investments on the basis of an improved earnings potential over the next few years."

It is important to note that a large group of these stocks presently are selling at their lowest relationships

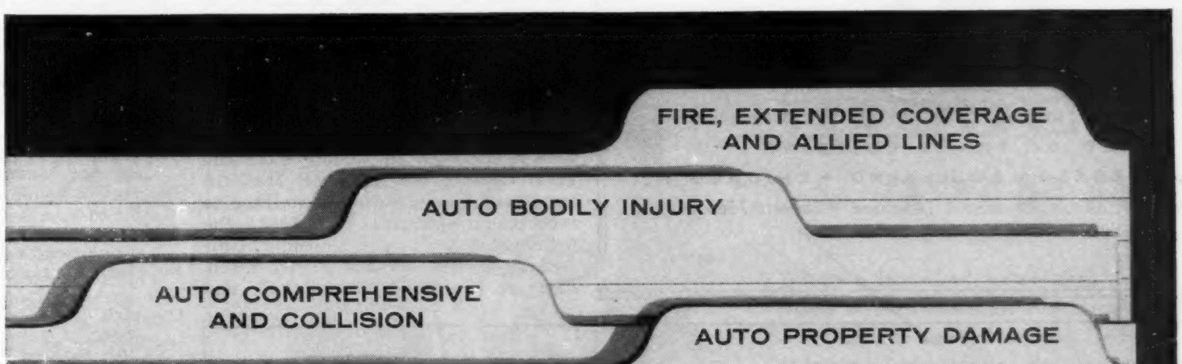
(CONTINUED ON PAGE 36)

Ben D. Cooke, chief underwriter of Agency Managers group in New York, and C.F. & A.U. and U.M.A. groups in London, receives the congratulations of Pan American World Airways personnel upon completing his 100th trans-Atlantic crossing by air. Following his arrival at New York international airport, airlines officials honored Mr. Cooke at a breakfast and presented him with a replica of an old-time clipper ship's clock and a plaque commemorating his hundredth crossing. Mr. Cooke first crossed the Atlantic by air in 1948. He made his 50th crossing in 1954, at which time Pan American presented him with especially inscribed model of a Boeing stratocruiser marking the event.

THE NATIONAL UNDERWRITER. Published weekly by the National Underwriter Company, Office of Publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. 61st year, No. 51, Friday, December 20, 1957, $7.50 per year (3 years, $20); Canada $8.50 per year (3 years, $23); Foreign $9 per year (3 years, $24.50). 30 cents per copy. Entered as second-class matter April 15, 1931 at the post office at Chicago, Ill., under Act of March 31, 1879.

Multiple Line COVERAGES

Each of the company groups which comprise *The American* was, prior to integration, not only a prominent multiple line insurer but also a nationally-recognized leader in a special field of insurance: *The American* for fire, multiple peril and marine, *American Auto* and *Associated Indemnity* for casualty, bonds and workmen's compensation. This vast fund of knowledge and experience in the multiple line field is available to *all* representatives of *The American.*



Personal Friendship

We at Leo B. Menner & Co. like to feel that a personal friendship exists between itself and each of its many clients. We handle each risk with great care, giving intimate consideration to every detail — see it through to a successful conclusion.

The coming Holiday Season is a particularly appropriate occasion to express our appreciation for these relationships and confirm our belief that agents, brokers and insurance companies will find their interests best served through this friendly organization.

LEO B. MENNER & COMPANY, INC.

INSURANCE AT Lloyd's OF LONDON

BOARD OF TRADE BUILDING
141 WEST JACKSON BOULEVARD · CHICAGO 4
Cable Menco Telephone WEbster 9-7565

Buckeye Club Officers Make Plans For Rally Jan. 27

Officers of Chicago Buckeye Club at a meeting last week set the date for the annual gathering of the organization as Jan. 27 in the Bismarck Hotel. The guest of honor is expected to be Arthur Vorys, Ohio commissioner, who

C. N. Mullican Jr.

W. L. Sundstrom

will be escorted by Joseph Schweer, secretary of the Cincinnati board. It is a custom of the Buckeye Club that the Ohio superintendent be invited to attend the meetings.

C. N. Mullican Jr., Fireman's Fund, is the president of the Buckeye Club, a group of displaced Ohioans who cherish their homeland and get together annually to reminisce of the great days of the past. Mr. Mullican appointed a nominating committee to recommend officers for 1958, the members of which are Eugene F. Gallagher, Planet; James A. Davidson, Factory Insurance Association, and Herman P. Winter, America Fore.

A significant action resulting from the officers meeting was the adoption of an official Buckeye Club poem. Almost as remarkable as the innovation of poetry is the fact that the author is Walter L. Sundstrom, manager of Factory Association and the converted leader of the now defunct anti-Buckeye movement, which achieved some notoriety in the past but had as its principal effect the welding together of the Buckeye members into an even stronger and more dynamic organization.

Permission of the Buckeye Club officers has been obtained for the publication of the now official verse of the organization. It follows:

OHIO

The sun never shone on a country more fair
Than beautiful, peerless Ohio.
There is life in a kiss of her rarefied air,
In Ohio, prolific Ohio.
Her sons are all noble, and valiant and bright,
Her beautiful daughters are just about right,
And her babies, God bless them, are clear out of sight,
The crop never fails in Ohio.

Our homes are a-light with a halo of love,
In Ohio, contented Ohio,
We bask in the smiles of the heavens above,
No clouds ever darken Ohio.
Our grain waves like billows of gold in the sun,
The fruits of our orchards are equalled by none,
And our pumpkins, some of them, weigh most a ton,
We challenge the world in Ohio.

Our girls are sweet models of maidenly grace,
In this modern Eden, Ohio,
They are perfect in figure, and lovely in face,
That's just what they are in Ohio.
Their smiles are bewitching and winning and sweet
Their dresses are stylish yet modest and neat,
A Trilby would envy their cute little feet,
In beautiful, peerless Ohio.

When burdens of life I am called to lay down,
I hope I may die in Ohio,
I never could ask a more glorious crown
Than the one of the sod of Ohio.
And when the last trump wakes the land and the sea,
And the tombs of the earth set their prisoners free,
You may all go aloft if you choose, but for me,
I think I'll just stay in Ohio.

W. L. S.

Gulf-Atlantic Promotes Three Secretaries

Three assistant secretaries of Gulf-Atlantic group—J. B. Chase, J. A. Cheatham and W. J. Boulet—have been promoted to secretary at the company's home office in Dallas. Milton A. Dunn of the company's Los Angeles office has been elected assistant secretary.

Fidelity & Deposit Named Surety

Fidelity & Deposit is surety on a $1,020,987 contract for an addition to a high school at Anaheim, Cal., to be constructed by Hurd Construction Co., Santa Ana.

In **North Carolina,** American Underwriters agency, formerly of Burlington, has moved its offices to 407 Guilford building in Greensboro.

this is no time to RELAX

Take your choice . . . the long haul up, or the fast skid down. The era of easy-selling insurance is coming to a close. Lumber Mutual has much to offer your clients in security and savings . . . and a complete and carefully prepared program to help you reach those hard-to-get prospects. Write and ask our special agent to call on you with plans.

Paul Bunyan Jr.

- FIRE • INLAND MARINE
- HOMEOWNERS' and COMPREHENSIVE DWELLING POLICIES
- PERSONAL LIABILITY • BURGLARY
- Combination AUTOMOBILE POLICIES

For further information contact:
KEITH W. SKILLIN, Agency Supervisor
at address below

A Multiple Line Company
The LUMBER MUTUAL FIRE INSURANCE Co. Chartered 1895
of Boston, Mass.
632 BEACON STREET, AT KENMORE SQUARE

Stresses Need For Company And Agent Relationship Study

Craig Thorn Jr. of Hudson, president of New York State Assn. of Insurance Agents, was principal speaker at the annual meeting of Greater New York Insurance Brokers Assn. He was introducd by Joseph F. Murphy, counsel of America Fore. Mortimer L. Nathanson of Brooklyn, president of the brokers association, presided.

Pointing out the day is fast approaching when the return to the broker or agent will be based upon the type of service rendered, Mr. Thorn called for some realistic long range planning between companies and producers.

Companies and agents must sit down immediately and take a careful look at their long time relationship, he said. It is not a matter of questioning the American agency system way of handling business but rather the fact that this system has not brought itself up to date with present economic conditions. He added that there has been a great deal of talk about this, but very little action.

Mr. Thorn said that the relationship between the agent and his company must be that of a business partnership in which each partner assumes his share of the operation in the most efficient manner possible.

Suggesting ways the producer can better carry his share and merit his present commission from his company, he said the producer can issue more policies and endorsements from his office, handle more claims and be less demanding on payment of accomodation losses, become a better underwriter, train his office staff to rely less on field men and company branches for solutions to minor problems, place his accounting on a basis where his companies need never spend any effort collecting his monthly balances, be more realistic and hard-boiled on flat cancellations, and stop making collect calls. The producer must awaken to trends in merchandising insurance, and not be afraid of discarding some of the traditional, hallowed and rutty ways of doing business, he said.

"When the producer has done all of these things and more," he observed, "then will he be in a favorable position to receive his proper commission from his company. Then will he be able to ask for consideration different from that given his competitor down the block who will still be operating a horse and buggy, non-professional, ostrich type office built on complacency and stupidity."

The companies, meanwhile, must not sit idle, he said. Their part in the partnership also demands urgent changes. Much can be done about the duplication of forms, changes in coverages, lack of uniformity among companies on claim forms—all of which, when the morning mail arrives, make producers wish that just for once there will be no changes.

The field of third party claims offers an opportunity for companies and producers to discuss ways and means of taking more negligent actions into court, of reversing the trend toward pre-trial give-away settlements, and of educating the public, bar associations and judges to the dangers of the latter, he said. Companies are crying over the lost new middle class market—that new large group of wage earners in the $5,000 to $10,000 bracket—currently enticed into the hands of the direct writer. Most producers lose

(CONTINUED ON PAGE 22)

FIRE-CASUALTY OPENINGS

$7200 - $12,000

SOUTH—Claims Mgr.	$12,000
EAST—Methods Mgr.	9,500
M. WEST—Fire Undr. Mgr.	9,000
M. WEST—Bond Supv.	8,500
W. COAST—Casualty & Bond Supv.	8,500
W. COAST—Fire-Cas. Acc't.	8,000
MISSOURI—Fire Sp. Agent	7,800
EAST—Marine Supv.	7,200

Large selection openings available, employers 'in the market' to fill during January, write for "How We Operate" no obligation to register.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY

330 S. Wells St. Chicago 6, Ill.

HArrison 7-9040

We Broker Insurance Agencies

Wide Range Of Activity Discussed At NAIA Executive Committee Meeting

NEW YORK—Sputniks, advertising and future convention plans occupied the attention of the executive committee of National Assn. of Insurance Agents at its meeting here.

Under the guidance of Chairman Archie M. Slawsby, Nashua, N. H., vice-president, the committee heard of the effect on Washington of sputniks and missiles, reviewed the progress of the advertising program planned for the members, and worked on preliminary program plans for next year's annual convention.

Others members of the committee present were President Louie E. Woodbury Jr., Wilmington, N. C.; Porter Ellis, Dallas; Maurice J. Hartson Jr., New Orleans; Paul H. Jones, Tucson, and Morton V. V. White, Allentown, Pa.

The current status of the campaign fund being collected by NAIA for its national advertising program was reviewed by Alan H. Miller, Hackensack, N. J., chairman of the advertising committee. He said that more than $860,000 had already been contributed to the advertising fund and conservative estimates indicated that more than $1 million would be on hand by the end of the year.

President Woodbury commented on the fine work being done by the 12 regional chairmen recently appointed to the advertising committee and praised them for their fine efforts in behalf of the program.

Maurice G. Herndon, Washington representative of NAIA, reviewed the general situation in the federal government as it applies to the present international emergency, citing the dangers not only to this situation but also to American business.

"Not only will there be no tax reduction for business next year, but there could even be a tax increase to offset possible deficit spending by the federal government in its satellite-arms race with Russia and to offset

(CONTINUED ON PAGE 19)

HIDDEN TERROR

When a liquefied petroleum gas tanker collided with an auto carrying a man and his wife, a settlement seemed simple. Only the man was injured — physically. But the wife later suffered a mental breakdown because of the terror of the collision. A would be settlement of under $2,000 ended up in court as an award of $125,000 to the husband. Excess coverage saved the LP gas carrier from damages that could have bankrupted him.

Planning protection for your clients often involves use of special coverages that can spell the difference between disaster and adequate insurance. Illinois R. B. Jones offers agents, brokers and companies a ready market for Excess and Surplus Lines on such risks — for BI and PD, motor truck cargo and workmen's compensation, for example. For extra ease and speed in placing your risks, call us today.

IF YOU'D LIKE TO KNOW MORE ABOUT ILLINOIS R. B. JONES FACILITIES, WRITE FOR YOUR FREE COPY OF "OUR INVENTORY IS YOUR OPPORTUNITY"

Representing Lloyd's, London

Number 12 in a Series

Excess & Surplus Lines

ILLINOIS R.B. JONES Inc.

C. Reid Cloon, Pres.

175 West Jackson Boulevard • Chicago 4, Illinois

WAbash 2-8544

612 Gary National Bank Building • Gary, Indiana

TUrner 5-3432

Baker To Helm Of Colorado Insurors

Maurice Baker of Colorado Springs has been elected president of Colorado Insurers Assn. at the final 1957 meeting in Denver. He succeeds Walker Garrott of Denver.

Also elected were Norman Cohn, Denver, vice-president; J. R. Wells, Grand Junction, secretary; and James Caldwell, Colorado Springs, treasurer. P. J. Walsh of Denver was elected state national director. Directors who were installed are: William Galyardt, Ft. Collins; Charles Lott, Greeley; John Humphreys, Denver; William Kersten, Denver; Lowell Shearer, Steamboat Springs, and Ralph Austin, La Junta.

Receiving plaques for leadership and achievement from Lt. Gov. Hays were out-going president Garrott and Thurston Jenkins, a past president and immediate past state national director.

Eight Are Promoted By North America

North America and Philadelphia F.&M. have advanced John B. Davis from assistant secretary to secretary, and Indemnity of North America has promoted Charles J. Hare, Edwin H. Marshall, and Fred C. Clement Jr. to assistant vice-presidents.

Indemnity of North America also has named Carroll W. Laird surety secretary, and Norman R. Holzer, John H. Kistler, and Charles E. Stevens assistant secretaries.

Mr. Davis has been with North America since 1940. Named manager at Minneapolis in 1948, he went to the home office as an underwriter in 1951, and was named an assistant secretary in 1953.

Formerly liability secretary, Mr. Hare entered insurance with North America group as a file clerk in the home office liability department in 1923. He was named assistant superintendent in 1941, superintendent in 1945, assistant secretary in 1947, and liability secretary in 1953. Mr. Marshall went with the indemnity company in 1942 as an underwriter at New York. He was named A&S superintendent there in 1946. Transferred to the home office in 1950, he was appointed an assistant secretary in 1953, and earlier this year became A&S secretary of both the indemnity and life companies of North America.

•

Mr. Clement has been with North America 37 years. He became an automobile underwriter in 1945, assistant automobile secretary in 1947 and automobile secretary in 1950.

Mr. Laird joined the surety department of North America in 1934. He previously was vice-president of Union Indemnity and prior to that, assistant secretary of National Surety. He served four terms as president of Bureau of Contract Information.

Mr. Holzer has been agency superintendent of the home office casualty production department. He formerly was a special agent at San Francisco, Los Angeles, and Seattle. Mr. Stevens joined North America as assistant superintendent of A&S in 1956, and was advanced to superintendent last May. Mr. Kistler has been with North America nine years. He became an underwriter in 1949 and was advanced to supervising underwriter in 1954. Appointed an assistant superintendent, he was named superintendent last May.

Standard Accident Names Luhman Bond Manager

Standard Accident and Planet have appointed Merrill K. Luhman as manager of the bond department at the companies' Washington D. C. branch. In insurance since 1947, he has been a contract bond underwriter with American Surety and National Surety. Joining Standard Accident in 1956, he has been bonding field representative at Washington until his present appointment.

Mack to American Surety

American Surety has appointed Theodore Mack superintendent of bonds at Chicago. He is a former special agent and underwriter.

Lyle Adjustment Opens In Colo.

C. B. Lyle, Lee Kious and W. R. Kennedy have incorporated in Colorado as Lyle Adjustment with offices in Denver. Mr. Lyle founded Lyle Adjustment in Phoenix in 1929, and later extended into New Mexico and west Texas. He is a past president of National Assn. of Independent Insurance Adjusters. Mr. Kious has operated Lyle Adjustment in northern New Mexico division for seven years. Mr. Kennedy's experience includes service with General of Seattle and Hartford Fire.

General Adjustment Bureau has appointed Frederick P. Jellison branch manager at Waltham, Mass., succeeding George C. Kerr, who has been named general adjuster at New York. Mr. Jellison has been senior adjuster at Boston.

every HOME agent has a partner—

DON WILSON, selling YOUR services on the

JACK BENNY SHOW sponsored by **THE HOME** *Insurance Company*

every Sunday night
on CBS Radio

Home Office: 59 Maiden Lane, New York 8, N. Y.
FIRE · AUTOMOBILE · MARINE
The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

XUM


Here's A Sales Tool
ARE YOU BEING PENNY-WISE
BUT JUST PLAIN FOOLISH ABOUT...
INSURANCE PROTECTION?
Unless your property is fully insured you are risking severe financial loss.
INSURED PORTION
UNINSURED PORTION
Current Value $15,000
Amount of Insurance $8,000
Amount of Underinsurance $7,000
That Can Help Build Premium Volume
This eye-catching printed piece has been prepared for use by Great American producers. Designed to make policyholders aware of the urgent need to insure to value, it can enable agents and brokers to put additional worthwhile business on their books.
For samples of this and other effective sales aids, see your Great American fieldman. Or, write directly to the Company.
YOUR Independent Insurance AGENT "SERVES YOU FIRST"
Great American Group of Insurance Companies New York
Great American
GROUP OF Insurance Companies
FIRE • MARINE • AUTOMOBILE • CASUALTY • SURETY
Great American • Great American Indemnity • American National Fire • Detroit Fire & Marine • Massachusetts Fire & Marine • Rochester American
18,000 LOCAL AGENTS • WORLD-WIDE FACILITIES • STANDARD STOCK COMPANY PROTECTION

Irish Insurers Have Had Compulsory And No-Limit Auto Policies For Years

By GEORGE H. MENEFEE

The underwriting and investment problems of the Irish insurance companies, while basically the same as those of American companies, show a marked difference in results attained last year. Losing money on investments is almost unheard of for an American insurer with competent management, but several of the larger Irish insurance companies managed to do just that. On the underwriting side, the problems are more similar, although a more realistic approach to court awards and more support from the courts on traffic violations helps. However, this is offset by mandatory insurance and no-limit automobile policies.

Irish insurers have been living with mandatory insurance and policies with

Mr. Menefee, who heads the firm of George H. Menefee & Associates at Baton Rouge, La., management consultant to insurers, formerly headed the casualty division of Louisiana rating commission.

no limits for a number of years. Automobile insurance must be furnished to all applicants unless it can be shown that the issuance of the policy is contrary to the public interest. Company managers say that it is rare that insurance is refused, and some companies say they have never refused to issue a policy. The usual method of handling a request for coverage from a driver with a poor record is to issue the policy with a high deductible on the liability. The companies feel it serves no purpose to surcharge the policy when the annual premium is $10 or $12. As one of the officials put it, "surcharging premiums of that size by 50% still leaves you with nothing. A deductible of $500 to $1,500 on the liability is much more likely to impress the driver with the need for safer driving." Companies say that although such drivers occasionally appeal to the Bureau of Industry & Commerce, the regulating body, so far the insurers have not been overruled.

Although Ireland has a much lower registration of automobiles per capita, the narrow and very winding roads, particularly in the south and west, make driving difficult. Most of the roads are bordered by substantial stone walls, and running off the road to avoid an accident is likely to be suicide. As if this were not enough, the Irish driver also has to contend with innumerable bicyclists, small herds of cattle being driven along the roads, wandering bands of sheep, and English tourists. One driver was overheard bragging to another that, on a drive from one city to another, he had averaged almost 30 miles per hour.

Irish companies issue the standard liability policy or what is known as the comprehensive policy, which also includes physical perils. Total annual premiums on automobile run about $1½ million, spread among the five Irish companies writing the class. Substantial additional amounts of automobile liability and physical damage coverage is written by the British companies doing business in Ireland, but this premium is not segregated.

An additional $750,000 is written by the Irish companies in areas outside of Ireland. Because of the low available volume of business in Ireland, most of the companies also operate on the continent and in other places. Hibernian Fire & General is currently setting up operations in Australia. At the present time none of the Irish companies writes business in the United States aside from a small volume of reinsurance.

All companies write automobile insurance on a merit plan basis which gives the good driver a maximum credit of 30%. No penalty is assesed under the merit plan for drivers with poor experience, although they are subject to having their insurance written on a deductible basis as previously mentioned. More support is given to the companies by the traffic courts than is usually given here. Suspension of driving privileges for prolonged periods comes quickly upon the heels of conviction for drunken driving, and repeaters may find themselves serving substantial prison sentences.

Regulating officials are occasionally as difficult to deal with as some of our own. Requests for rate increases may take a year or more to be acted upon, and then not produce the desired increase. Taxes are somewhat higher than in the U. S., and some consideration is being given by the government to nationalization of the insurance business. Company officials in general agree that this step is not likely to be taken in view of the general policy of the government to promote greater investment on the part of foreign sources.

Sureties Named For Bridge Job

Fidelity & Deposit and Travelers Indemnity have been named sureties for companies constructing a $14,226,690, 1-⅓ mile long, floating bridge in Kitsap and Jefferson counties, Washington. Fidelity & Deposit is surety for Morrison-Knudsen and Puget Sound, and joint surety for Kaiser. Travelers Indemnity is surety for General Construction.

American Agency System company offers...

Trucking insurance market at rates competitive with direct writers

First agency company to offer Fleet Owners' Comp in package of 5 Major coverages

- Adequate commission commensurate with competitive ratings
- Annual or continuous policy with monthly payments
- All state and I.C.C. filings made by company
- Fleet rates and retrospective rating on large accounts

MID-UNION INDEMNITY COMPANY

ELGIN, Illinois

THROUGH

CAPLIS-HIELSCHER, INC.

✓ EXCESS COVERAGES

✓ REINSURANCE

✓ SURPLUS LINES

✓ SPECIAL RISKS

6462 N. SHERIDAN RD., CHICAGO

ROgers Park 4-6000

Must Cut Expenses, Including Commission If Need Be: Gallagher

Today the business is sick. It is sick largely bcause of its own indiscretion. It has been gorging itself beyond its ability to assimilate on premiums not all of which were wholesome. It has been profligate—extravagant and lavish in its living, said Eugene F. Gallagher, manager fire marine department of Standard Accident at Chicago last week at a joint luncheon of District of Columbia Insurance Agents Assn., Insurance Managers Assn. of D. C. and Insurance Womens' Club of D. C.

E. F. Gallagher

"And the strange thing about it all is that so many do not realize how ill business has become. Many there are who mistake the flush of fever—if indeed they notice anything at all unusual—for the ruddy glow of health. That is one reason why it may well pay us to discuss the situation, hoping betimes that something will be done, because the patient may well die while the doctors are consulting," Mr. Gallagher declared.

•

The real reason anyone is in the insurance business is the hope of making money and it is doubtful if there are very many in the insurance business for the sheer love of it, he said. He expressed doubts that many were "dedicated" to the business to the point where remuneration was of no consequence and it seems reasonable to believe insurance companies are formed for the purpose of realizing some profit. When the business fails to make some profits from underwriting year after year it is not healthy—when surplus decreases progressively the business is sick.

The speaker gave several examples of huge aggregate underwriting losses for the first nine months of 1957 for 293 stock companies, with one of the larger groups seeing its surplus decreased in that period more than $97 million and another company finding itself with an underwriting loss of approximately $20 million. (In that order, these are America Fore and U.S.F.&G.)

•

The reason for these disastrous results are many, he said, but the largest single factor is the impact of most adverse automobile insurance experience. Also, inflation and the liberal attitude of juries have been instrumental in increasing the average bodily injury claim 82% in the last 10 years and the average property damage claim 88%. There has been an ever increasing claim frequency, and it is most difficult to secure rate increases needed to avoid greater underwriting losses.

"This has been due in part to a reluctance on the part of the business to appeal for relief and in part to some state authorities, who mistakenly believe that they are serving the public interest in helping to perpetuate conditions which will restrict the market and threaten the very solvency of the insurance companies."

Mr. Gallagher went on to say that bad as the automobile situation is, it has been further aggravated by adverse experience in almost all other lines, commenting it is unusual that practically all lines go bad in any one cycle, but that is what has happened. This has been intensified by inflation, "which has been squeezing us between the receipt of premiums and the performance of an obligation."

Not content with all of these adverse factors, the business seems almost determined, come what may, to see that no underwriting profit will be realized, he said, especially in the property field. It seems that if any line whatsoever begins to show a semblance of being profitable, there is at once a veritable avalanche of deviation filings either reducing the rate—or broadening the coverage—or both. "And if these expediencies are not feasible, then the business has resorted to another guaranteed method eliminating any profit: We have simply increased the commission."

He mentioned that broadening of coverage has been manifested particularly in the dwelling field, where

(CONTINUED ON PAGE 32)

Boston Board Offers Suggestions Of Aid In Present Crisis

For several months the executive committee of Boston Board has been studying the various solutions of problems currently affecting the business that have been offered throughout the country. The board recently met to analyze these solutions, and then offered some suggestions of its own.

Chief among the suggestions is more emphasis, not less, on the producer, particularly the general agent. Arthur J. Anderson Jr., president of the board, stated in a release covering the board discussion of current problems and ideas for aiding in their solution, pointed out that over the years the board, along with boards in other major cities, had made valuable contributions to the business, and they should be given the opportunity to do so again.

The agency system, especially in its contest with non-agency competition, requires greater teamwork in the business. Greater reliance should be placed upon the general agency in the metropolitan areas in the interest of economy, better underwriting and better public relations. In the major cities such as Boston, producers should have a voice in the establishment of rates and forms. The coinsurance clause, originated by Boston Board, should be extended, especially in periods when rising values run ahead of rates based upon past experience.

Walter S. Attridge, past president of the board, challenged some of the facts in a report by the Robert H. Huff Co., investment bankers, in which statistics favorable to the operation of Allstate as opposed to agency stock companies were quoted.

Credit was given to Allstate, Mr. Attridge said, for increasing premiums from $15 million to almost $300 million in 10 years, and at rates as much as 40% below bureau companies. It is stated that the total loss ratio was 23% lower than the agency compa-

(CONTINUED ON PAGE 25)

AGENTS, here's an INSURANCE SUPERMARKET...

— at your service!

We are now the United States representatives and brokers for the STOREBRAND INSURANCE CO. LTD., of Oslo, Norway. In addition we have direct contracts with LLOYD'S OF LONDON. Add to these our famous "unusual or hazardous" lines, and it becomes obvious that this is an unlimited source for virtually anything in insurance.

A PARTIAL LIST OF ITEMS IN OUR BROAD CATEGORY

SUBSTANDARD AUTO • INLAND MARINE • GENERAL LIABILITY • BURGLARY
LONG HAUL TRUCKS • BUSSES • PRODUCTS • ANHYDROUS AMMONIA • BUTANE
TAXICABS and a whole host of others.
Contact the office nearest you.

HOMER BRAY SERVICE, INC.

303 EIGHTH ST. N. W. • P. O. BOX 1708 • PHONE 3-4561 • ALBUQUERQUE, NEW MEXICO

ALBUQUERQUE, NEW MEXICO
303 8th Street, N.W.

DENVER, COLORADO
904 Gas & Electric Bldg.

OKLAHOMA CITY, OKLAHOMA
534 Commerce Exchange Bldg.

CHICAGO, ILLINOIS
208 South LaSalle Street

LOS ANGELES, CALIFORNIA
2412 West 7th Street

DALLAS, TEXAS
2506 Cedar Springs Ave.

Agent's Representations, Though Contrary To Policy, Held To Constitute CPL Coverage

What a subagent of the agent told insured the policy covered was held by the federal court for northern California to constitute the coverage though the policy specifically said something else. The case was that of Owen vs American Home and involved watercraft coverage under the comprehensive personal liability policy, 9 CCH (fire & casualty) 369.

The Owens contended that at the time they bought the policy they were led to believe by the agent, C. M. Nelson, they would be insured against liability arising out of the use and operation of a watercraft, if the craft were equipped with an outboard motor and did not exceed 26 feet in length. Insured at the time didn't own a boat, but shortly after they bought one 14½ feet long with a 40 h.p. outboard motor. Their son was operating the boat July 17, 1955, when it collided with a swimmer, who was injured and sued for damages.

The policy contained a provision limiting boat cover to craft equipped with a motor of 10 h.p. or less. The insurer denied liability, and insured sued, arguing that the exclusion did not express the intentions of the parties, and that the policy should be reformed. Alternatively, insured asserted that American Home was estopped from relying on the exclusion because the agent, in explaining the cover, specifically mentioned a length limitation of 26 feet but mentioned no limit on h.p. at all.

Insurer argued that it was not the agent but the agent's son who sold the policy, that insured failed to read the policy, and that no oral representations actually were made with respect to the cover.

Evidence showed, the court said, that throughout numerous past dealings insured reposed trust and confidence in Mr. Nelson and his son, Fred, in handling their insurance business. They were thus entitled to rely on oral assurances made by the Nelsons. Further, it is reasonable to infer from the evidence that the Nelsons were aware of the Owens' frame of mind in this regard.

Consequently, acceptance and retention of the policy by the Owens without reading it prior to the accident does not bar an action on the policy based on either a reformation or estoppel theory, the court declared. It further noted that California law is clear that where the agent gives misleading, incorrect or incomplete answers, though carelessly made, to a specific question by prospective insured concerning coverage, the insurer is not, after reliance has been placed on these answers by insured, allowed to deny liability on the basis of a provision which does not reflect the representations of the agent.

•

The court concluded that insured were entitled to believe the coverage was without h.p. limitation and that the boat could be anything 26 feet or less in length.

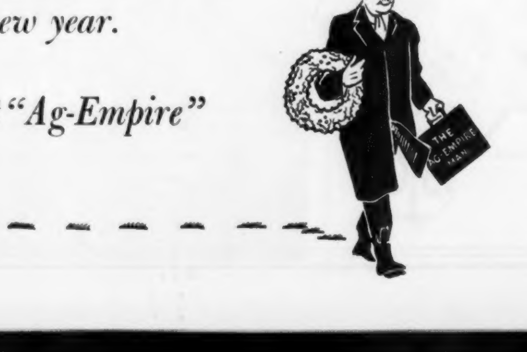
As to the company's argument that Fred Nelson was not its duly appointed agent, which the evidence shows to be true, the court pointed out the agency contract did not prohibit C. M. Nelson employing subagents. Also, the evidence showed that Fred Nelson had been a full time emploe of the agency from 1946 and had handled various details of the business including solicitation. There was some evidence to show American Home was aware of Fred Nelson's activities. Anyway, the court said, the Owens did not know he wasn't a duly appointed agent of the insurer. Thus the insurer is bound by the acts of a subagent, since there was no prohibition against the agent appointing subagents.

The court, acting without a jury, bottomed its decision on estoppel.

Wilkie & Sapunor of Sacramento appeared for insured, and Keith, Creede & Sedgewick of San Francisco for the insurer.

From Us to You — sincere holiday greetings and best wishes for a happy and prosperous new year.

The Folks at "Ag-Empire"



PAUL TEMPLE AND ASSOCIATES

INSURANCE ANALYSTS

Purchase, Re-Insurance and/or Merger of Life, Fire and Casualty Insurance Company's negotiated in confidence through the facilities of this 30 year old organization.

1927-1957

PAUL TEMPLE AND ASSOCIATES
6355 NORTH CLARK STREET
CHICAGO 26, ILL.

NYFIRO Makes Rates, Rules, Form Changes

New York Fire Insurance Rating Organization has made a number of changes in rates, rules, and forms, effective Dec. 16.

A new coverage—loss of personal income—has been added to the business interruption rule. Under it, an individual employe may protect himself against loss of personal income caused by the destruction of his place of employment.

Other changes made by NYFIRO are:

—The replacement cost rule is liberalized to make such coverage available to contents of certain government, institutional and church buildings.

—A provision is added to the errors and omissions rule permitting division of this coverage over two or more insurers subject to a pro rata liability clause.

•

—The off-premises power rule is amended to prohibit its application to insurance where rents, rental value or additional living expense is granted as an extension of coverage without specific charge.

—A provision to schedule rate hop houses, removing these risks from the class rate table, is added to uniform schedules and rating manuals.

—The rule waiving the charge for automobiles in apartment houses when the garage is in a cut-off, fire-resistive, sprinklered section is extended to apply, in like manner, in office buildings.

—The table of net fire rate adjustments applicable to specifically rated risks in uniform schedule territory is revised to include the rate adjustments of May 1957. The schedule for rating superior farm property of August 1957 is inserted in the uniform schedule.

In addition to other editorial revisions in rules and forms, the vandalism and malicious mischief endorsement number 822 has been made consistent with EC and other endorsements. Editorial changes in EC and casualty endorsements, and revisions generally liberalizing and clarifying the multiple location and reporting form A rules also have been made.

—

Holmes Is Assistant Manager Of Auto Service

Robert E. Holmes has been appointed assistant manager of Automobile Service Office of Austin, Tex. With Automobile Service since 1956, Mr. Holmes previously had been assistant director of the automobile section of the Texas insurance board.

—

J. E. Moore With Sayre & Toso

James E. Moore has rejoined Sayre & Toso-W. B. Brandt & Co. at San Francisco. Mr. Moore is past president of Seattle Board of Marine Underwriters and past chairman of Surplus Line Assn. in Washington. He joined W. B. Brandt & Co. in 1946 after several years with Home, and was named vice-president in charge of Seattle operations. In 1952 he started Coast Underwriters. He recently disposed of his interests.

—

Edward Gottlieb & Associates, New York advertising and public relations firm, has moved its offices from 2 West 45th street to 640 Fifth avenue. The new telephone number is JUdson 2-7540.

Announcement

We take pleasure in announcing the opening of

Intercontinental Agencies, Ltd.

with facilities at Lloyd's, London for writing

Surplus & Excess Lines

and Reinsurance

•

Russell W. Spicer, President

175 W. Jackson Blvd. Chicago 4, Ill.

ARE YOU SKATING ON THIN ICE?

You are if you're not selling GF&C's participating policies. They're your best bet to meet—and beat—competition!

Add your professional counsel to GF&C's

- Quick & understanding underwriting service
- Prompt & fair settlement of claims
- Expert engineering service
- Dividends to policyholders

(Non-participating Fire Policies available at tariff rates)

GENERAL FIRE AND CASUALTY CO.

(A Stock Company)

Home office: 1790 Broadway, New York 19, New York
309 W. Jackson Blvd., Chicago 6, Illinois
Telephone: WAbash 2-3600

GF&C

Insurance written through agents and brokers only.

National Bureau Raises OL&T Rates In Several States

National Bureau of Casualty Underwriters has revised OL&T bodily injury rates for area and frontage classifications in 14 states and District of Columbia, effective Dec. 18.

Changes in manufacturers and contractors BI and PDL rates also were revised in three states, effective the same date.

The states in which OL&T rate changes have been made and the percentage of changes are Arizona up 10.5%, D. C. up 10%, Georgia up 21.2%, Maryland down 6.3%, Michigan up 15%, Minnesota up 16.1%, Missouri down 2%, Montana up 21.5%, New Mexico up 14.8%, North Carolina up 8.2%, North Dakota up 8.8%, Oregon up 19.1%, Utah up 7.1%, Vermont up 7.9%, and West Virginia up 14%.

The classifications affected include such important types of buildings as stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses, and mercantile and office buildings.

Rates for M&C are increased 1.9% for BI in Arkansas, 3.2% in Maine and 4.4% in Maryland. The PDL rates in these states are adjusted to reflect only the effect of the estimated increase in payroll resulting from rule changes. The revised rates result in no change in present rate level.

The payroll rule revisions are the same ones that are being adopted by National Council on Compensation Insurance and local state rating bureaus for workmen's compensation insurance. The revision provides for an increase in the amount of payroll to be included for premium computation purposes for each employe from the present limit of an average remuneration of $100 per week to $300 per week for each employe. The revised rule also provides that the minimum amount per week for each executive officer be changed from $30 to $50 and the maximum amount from $100 to $300, and also that the fixed annual amount under the "individual insured or copartnership" rule be changed from $3,600 to $5,200 each. The rule changes are more realistic under today's conditions than the corresponding amounts that have been in effect. Furthermore, consistency in the rules for WC and M&C will result in savings in bookkeeping costs to insured and insurers.

E. H. Brink To Head Presidental Of Fla.

Edward H. Brink Sr., for 16 years with Preferred of Grand Rapids in executive capacities, has been named president of Presidential of Jacksonville, Fla. It was announced at the same time that the company will move its home office to Palm Beach.

Mr. Brink was both secretary-treasurer and executive secretary of Preferred until recently when he resigned to go into the agency business. He is a pioneer in the insuring of mobile homes and has been in insurance since 1918. He is a past president of Greater Grand Rapids Safety Countil.

NAMIA Ends Revision Of Agency Procedure Manual

WASHINGTON—The subcommittee on agency management of National Assn. of Mutual Insurance Agents has completed its revision of the NAMIA agency office procedure manual. Printed copies will be available to members by mid-January.

Meeting here under Chairman R. Niles Hiatt, vice-president of Indiana Lumbermen's Mutual, the subcommittee made changes modernizing suggested accounting methods, and adding a new section on payroll techniques emphasizing stepped up collection methods and including a positive cash receipts control procedure. The manual also has been changed over to loose leaf form.

In addition to Mr. Hiatt, members of the subcommittee are Ellis Roberts of Springfield, O.; Goodman Jones, Bluefield, W. Va.; F. B. Esau, Jr., treasurer of Pawtucket Mutual; and Philip L. Baldwin, general manager, and William A. Stringfellow, assistant general manager, of NAMIA.

Deep South CPCUs Elect

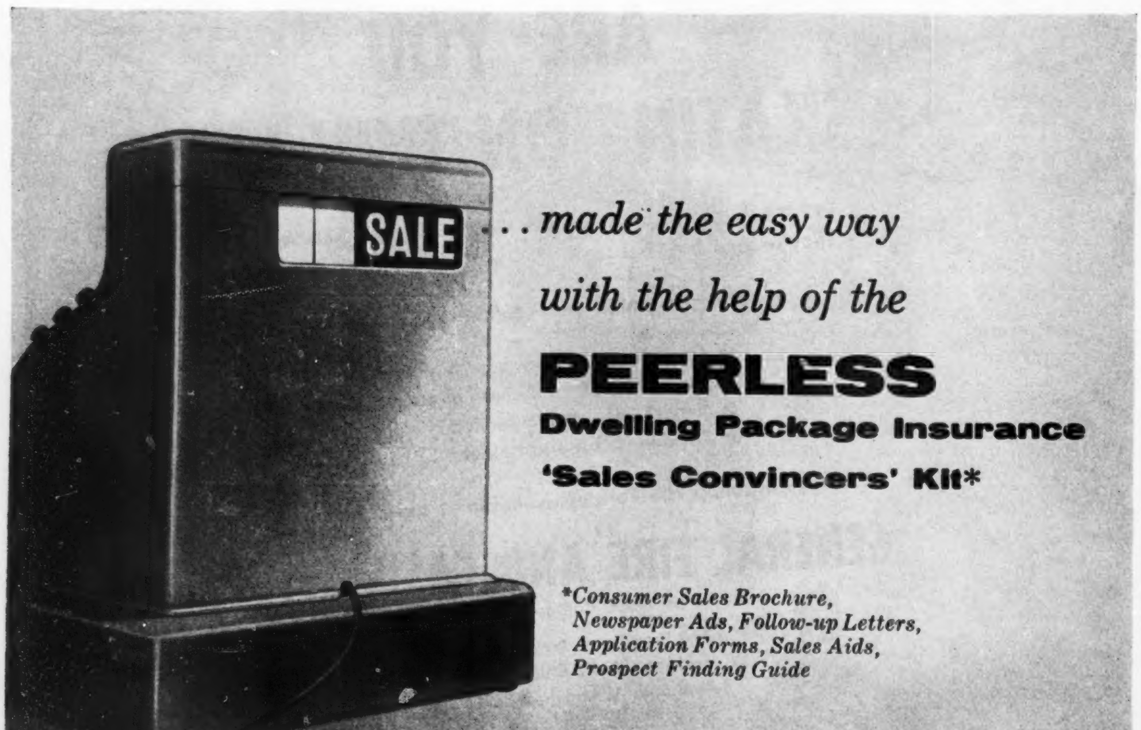
Stephens G. Croom of Croom & Matzenger, Mobile, was elected president of Deep South CPCU Chapter, at the December meeting in New Orleans. Jules E. Simoneaux, Jr., Henry A. Steckler Co., New Orleans, was elected vice-president, and S. T. Gustafson, Leon Irwin general agency, New Orleans, was named secretary-treasurer.

Harry Brooks of American Institute was guest speaker and presented CPCU diplomas to those designees who had not attended the national annual meeting. Deep South chapter is comprised of CPCUs from Alabama, Mississippi, and Louisiana.

Gerber To Speak At Chicago

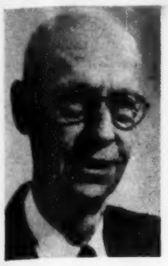
Joseph S. Gerber, Illinois insurance director, will address the Jan. 16 meeting of South Central Real Estate board, Chicago, on "The Problems of Insurance That Are Facing Us Today."

The South Bend office of **Travelers** has moved from the Sherland building to new quarters at 529 West Washington avenue. The office serves 25 counties in Indiana.



Two Veterans Of Cravens, Dargan Are Retiring

J. Lake Alexander Jr. and Price K. Johnson, assistant general managers of Cravens, Dargan & Co. of Houston, are retiring. Their combined service equals



J. L. Alexander Jr.

Price K. Johnson

98 years. They have been interested also in the activities of the associated companies, Gulf Coast Investment Corp., Western General Ins. Co., and American Aviation Underwriters.

Mr. Lake started his insurance career in 1906 for James Cravens & Co. as Cravens, Dargan was then known. In 1929, after advanced experience in the home office and in field management, he was promoted to assistant general manager. Since the last war he has concentrated his activities on general supervision of the marine and Lloyds, bond and accounting departments and as an active officer of Gulf Coast Investment.

Mr. Johnson was with his father in a local agency at Farmersville, Tex., until 1912 when he moved to Houston to join Cravens & Cage in the farm department. After a while as special agent and after service in the first war, he was put in charge of the hail department, and a short time later was made editor also of the Cravens, Dargan *Review*, a magazine for agents that is one of the outstanding publications of its kind in the insurance business, particularly in providing information on coverages and loss situations.

Mr. Johnson for a number of years has been active on the committees of Texas Insurance Advisory Assn. and on the executive committee of Crop-Hail Insurance Actuarial Association and as a past president of Texas Assn. of Managing General Agents.

Hearing On N. Y. Auto Rates To Start Jan. 6

The hearing on a 9.5% auto liability rate increase disapproval by the New York department will be held at the New York City offices of the department beginning Jan. 6. This will be an open hearing.

It was asked by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau, which had filed for the increase in private passenger automobile rates. The legal procedure is to hold a hearing, and then if the superintendent continues his disapproval, go to court. The bureaus have indicated that they will take the matter to court if they do not get the increase.

Propose 7.6% Decrease Of WC Rates In S. C.

National Council on Compensation Insurance has proposed that workmen's compensation rates in South Carolina be reduced an average of 7.6% and that the payroll limitation of $100 per week used for premium computation be increased to $300 per week, to be effective Dec. 31.

Due to a partially offsetting factor in the payroll limitation change the average premium reduction actually will be 5.9%. Specifically, the council is asking for an 8.6% decrease in manufacturing rates, 6.7% in contracting, and .2% in all other.

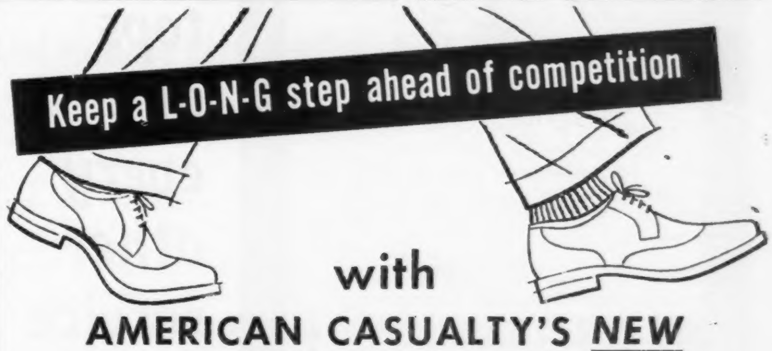
Insurance Women of Racine (Wis.) heard Robert G. Mielke, Phoenix of N.Y., Milwaukee, discuss "Rates and Codes" at the November meeting. Mrs. George Kroes was named chairman of the Christmas party Dec. 17. Christmas project of the club will be distribution of food baskets to local needy families.

SWETT & CRAWFORD
MUTIPLE LINES

Atlanta
Los Angeles
New Orleans
Oakland
Phoenix
Portland
San Diego
San Francisco
Seattle
Spokane
Vancouver, B.C.

AND NOW
CHICAGO
—providing outstanding SURPLUS LINES and REINSURANCE facilities to the Midwest and East through acquisition of
MacGIBENY-GRUPE, Inc.
Write, Wire or Phone
SWETT & CRAWFORD
AN ILLINOIS CORPORATION
GENERAL AGENTS • LLOYD'S, LONDON CORRESPONDENTS
175 W. Jackson Blvd. • WAbash 2-9520 • Teletype CG 2629
... SPECIALIZING IN SERVICE TO PRODUCERS ...

KENNETH B. S. ROBERTSON LTD.
PRIVATE, COMMERCIAL, INDUSTRIAL INSURANCES
REINSURANCES
SAFETY ENGINEERING
1510 Drummond St.
Montreal 25, P.Q. PLateau 9881
CORRESPONDENTS OF BROKERS AT LLOYD'S



with
AMERICAN CASUALTY'S NEW
COMPREHENSIVE
MAJOR MEDICAL POLICY

PAYS BOTH

BASIC MEDICAL EXPENSE
$500.00
Pays up to $500.00 of covered medical bills after a $50 deductible.

MAJOR MEDICAL EXPENSE
$10,000.00
After $500.00 has been paid, the policy then pays 80% of medical expenses incurred up to an additional limit of $10,000.00 (or $5,000.00).

FOR INDIVIDUALS AND FAMILIES: Unallocated benefits for accident and sickness for expenses incurred within 3 years* (treatment in home, hospital or doctor's office) ... level premiums ... special children's rates ... minimum exclusions ... pays regardless of other insurance in force except Workmen's Compensation or Occupational Disease Act or Law Benefits. GET ALL THE FACTS TODAY.

*(2 years in Calif.)

AMERICAN CASUALTY
COAST-TO-COAST BRANCH OFFICE SERVICE

AMERICAN CASUALTY CO., Reading, Pa.
Please send Sales and Information Kit on the new COMPREHENSIVE Major Medical Expense Plan.
NAME ______
ADDRESS ______
CITY ______ STATE ______

tops in every other service too

CASUALTY • FIRE • MARINE • SURETY

ROYAL-GLOBE INSURANCE GROUP

KNOWN ROUND THE WORLD

150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD. ROYAL INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA NEWARK INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Convention Dates

Dec. 27-28, American Assn. of University Teachers of Insurance, Bellevue-Stratford hotel, Philadelphia.

1958

Feb. 10, West Virginia "I" Day, annual, Beckley.

Feb. 19-21, Michigan Assn. of Insurance Agents, mid-year, Sheraton-Cadillac hotel, Detroit.

Mar. 14-15, Tri-State Mutual Agents Assn., Lord Baltimore hotel, Baltimore.

Mar. 16-18, Eastern Agents Conference, Claridge hotel, Atlantic City.

April 24, Chicago "I" Day, Conrad Hilton hotel.

May 1-3, Louisiana Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park, Miss.

May 22, Midwestern Independent Statistical Service, annual, Bismark hotel, Chicago.

June 6-7, Pennsylvania Claim Men's Assn., annual, Bedford Springs.

June 11-12 Wisconsin Assn. of Mutual Insurance Agents, annual, Schwartz hotel, Elkhart Lake.

June 11-14, National Assn. of Public Insurance Adjusters, annual, Hotel Traymore, Atlantic City, N. J.

Sept. 8-9, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.

Sept. 19-20, Utah Assn. of Insurance Agents, annual, Utah hotel, Salt Lake City.

Sept. 22-24, International Claim Assn., annual, French Lick Springs hotel, French Lick, Ind. annual, Utah hotel, Salt Lake City

Oct. 6-8, National Assn. of Insurance Agents, annual, New Orleans.

Century, Commercial Union To End Fire Business Pact

The agreement under which the New York metropolitan fire operations of Century group have been conducted by Commercial Union-Ocean will cease at year end. The pact has been in force 16 years. Commercial Union's New York metropolitan department will handle all aspects of the run off of business in force at Dec. 31, but all metropolitan fire business having an inception date on and after Jan. 1 will be serviced at the Century home office.

WC Rates Reduced In R. I.

Commissioner Bisson has approved new workmen's compensation rates for Rhode Island. The revision is a reduction of 5.5% in the average manual rate level, which represents approximately $540,000 a year. The changes include a reduction of 1.8% for manufacturing, 8.9% for contracting and 9.9% for all other classifications.

Last year's reductions in rates amounted to approximately $380,000 a year in premiums. The improvement in WC experience in Rhode Island is attributed by Mr. Bisson in large measure to action taken by the legislature to improve the WC law, work done by the director of labor, and the WC commission's administration of the law.

Used Car Guarantees Under State Jurisdiction In Cal.

Warranty companies that guarantee one-year performance of used cars are under the jurisdiction of the California insurance department, according to a ruling from the state's attorney general to Commissioner McConnell. In requesting the opinion Mr. McConnell indicated that there should be some statutory control over such operators because of the possible "deception and financial loss" to buyers "unless this type of business is properly supervised." He said one such warranty company recently went out of business leaving a number of used car buyers unprotected.

St. Paul Group Elects Officers

J. P. Scherman, Mutual Service Ins. Companies, has been elected president of St. Paul Claim Men's Assn. Other officers are William Schiefelbein of Anchor Casualty, vice-president, and Leo Seeley of Auto Owners, secretary-treasurer.

Insuranshares Certificates, and investment fund which specializes in the ownership of the stocks of insurers, has declared an extra dividend of 2½ cents.

"May I Have A Word With You?"

MR. JONES

We are fast approaching the end of another year. It is time now to stop and plan carefully our business operations for 1958.

Already, we have been warned there is to be a new dwelling package contract that will necessitate complete re-education of our package policy clients.

Much needed rate increases have been predicted. Increased use of commercial package policies, and the need for even greater emphasis on insurance-to-value will surely come. Losses will continue to be a source of much trouble, as will collections.

In planning to meet these and other expected (some inevitable) changes, the wise agent will make sure he is connected with progressive, forward-thinking companies that can help him solve these problems.

Buckeye Union agents are in an enviable position. They know their fieldmen and home office department heads will be on top of every one of these changes and trends. They know they can count on their company to help them make 1958 their biggest ever.

If you think you're going to need help during the coming year, I invite you to contact our superintendent of agencies in the home office or our branch office nearest you. There's no obligation—ever. We are currently operating in Ohio, Pennsylvania, Indiana, West Virginia, Kentucky and Michigan.

F. E. Jones
PRESIDENT

P. S. All of us at Buckeye Union extend our very best wishes for a happy holiday season.

BUCKEYE UNION
INSURANCE COMPANIES
Fire—Casualty
Columbus 16, Ohio

COMMENTS TRENDS OBSERVATIONS

Pooling Of Handling Of Claims Suggested As Auto Loss Help

Edward T. O'Brien, formerly an underwriter and field man but for the past 13 years a local agent at Hartford, writes:

Higher premiums and lower commissions will not solve the problem for casualty insurers as long as they maintain an open check book for the benefit of the claim-minded public.

Frequency of accidents demand immediate claim attention. When attention is lacking, the public simply responds in the way of claims for damages through counsel. Many reserves are set up for claims that should have been disposed of at an early date if a real and sincere appraisal of damages had been made following an accident.

My solution to the problem would be to have all agents report claims to a local claims bureau as they occur. The local claims bureau, with man-power available weekends, would respond immediately and obtain statements from all parties concerned, including witnesses. The reports of the appraisers would be given to all interested insurance companies within a day or two and settlements could be effected before the parties claiming damages would be inclined to seek counsel.

Most of the leading stock companies do exactly this on first party claims for property losses by virtue of their membership in Factory Insurance Association, Grain Insurance Association, Oil Insurance Association, and their membership and control of General Adjustment Bureau.

Another idea would be to have, let's say, all the bureau companies report the basic coverage on every liability policy to an association that could be formed for the benefit of its members. The premium for this basic coverage in Connecticut would be the premium for 20/20/5 BI and PDL and the premium would be reserved for all claims up to the basic limits. All companies would in turn receive the premium for excess limits on BI and PDL medical payments and material damage exposures and would underwrite these hazards independently. It stands to reason that most third party claims would be paid under the basic limits.

The companies could be stockholders in the association in proportion to their development of business.

This plan would pool premiums, coverages and underwriting, and would give all companies what they need and that is immediate claim service following accidents.

The way things are going at present, premiums will never be sufficiently large enough to take care of the increasing claims. The agents are placed "in the middle" and frankly, they have no control over the accident frequency although they are held responsible in many instances for the poor loss ratios by the companies they represent.

It looks like a collective problem, so let's face it.

Agent Should Eye Accounts For Profitability Then Develop, Discard And Handle Efficiently

Richard H. Scheffey, assistant manager of the planning and research division of North America, points out that it is not the premium volume an agency produces that makes the operation profitable but the number of profitable or potentially profitable accounts in the office. Writing in *The Fieldman*, the company's publication, he asks why an agent should handle an unprofitable individual account in his office. Certain accomodation or friendly accounts are necessary, he concedes, but these should be held to a minimum, and the agent certainly should know which accounts they are.

He then presents an analysis of four agencies to indicate how large a percentage of the accounts in these agencies very likely are unprofitable. One is a $3 million agency in a metropolitan area and has 1,600 commercial accounts, which account for 9% of the number. The remainder are personal accounts. Of the personal accounts, 10,650, or 67% of the total, are single policy accounts. There are 10,680 dwelling only policies, 5,532 household furniture policies, 3,350 personal property floaters, 3,870 automobile, 1,225 CPL and 1,564 miscellaneous coverages.

The second agency is one of $750,000 premiums in a medium sized town with 680 commercial accounts for 10% of the number and 6,120 personal accounts. The agency has 3,448 or 57% in one policy accounts; 1,347 or 22% in two policy accounts; 489 or 8% in three policy accounts, and 796 or 13% in four or more policy accounts.

The $250,000 agency in a small community but in a metropolitan suburban area has 120 commercial accounts and 1,380 personal accounts, the latter making up 92% of the number. Of the latter, 662 or 48% are one policy accounts; 317 or 23% are two policy accounts; 124 or 9% are three policy accounts; 83 or 6% are four policy accounts; 152 or 11% are five policy accounts, and 42 or 3% are more than five policy accounts.

The fourth agency with $450,000 in premiums, in a medium sized town, has no commercial accounts. Its 1,639 personal accounts are divided: 1,076 or 65.6% one policy; 349 or 21.3% two policies; 160 or 9.8% three policies, and 54 or 3.3% four policies. Here the policies were analyzed by premium. There were 558 policies or 22.6% of $10 and under; 462 or 18.7% between $10 and $20; 289 or 11.7% $20 to $30; 304 or 12.3% $30 to $50; 370 or 15% $50 to $75; 185 or 7.5% $75 to $100; and 302 or 12.2% more than $100.

Agents should analyze the accounts in their offices and determine which can be profitably developed and those which should be deleted as presently or potentially unprofitable, Mr. Scheffey advises. He suggests the agent determine the average cost per policy. If he does this, he cannot escape the conclusion that low premium producing policy accounts must be handled most economically and should be expanded into self supporting accounts.

Personal accounts, he pointed out, have routine characteristics. They involve simple rating and calculating detail. Simplified policy writing and billing techniques can be employed. The accounts receivable can be handled on an item basis. Bill copies must be utilized. A simple credit situation exists. A collect or cancel program may be directly applied. There is or should be minimum partial payment detail involved. Line record post-

(CONTINUED ON PAGE 34)

Chicago Surety Underwriters Elect Officers

New officers of Chicago Surety Underwriters Assn. were elected and installed at the recent annual meeting at the Swedish club, with William T. L. Davies, Travelers, succeeding John Hirschmann, Aetna Casualty, as president. New officers shown above are, from left, Luman E. Williams, Fireman's Fund, vice-president; Mr. Davies; J. E. Stevenson, Aetna group, secretary and Harold Swanson, New Amsterdam Casualty, treasurer. Also elected were members of the executive committee, who are: W. A. Bowersox, Fidelity & Deposit; Edmond Madden, Maryland Casualty; Ernfred Carlson, U.S.F.&G.; J. C. Scott, Standard Accident; and C. H. Phillips, Hartford Accident.

Agent Educates His Insured On What To Do After The Accident

Russell E. Johnson, local agent of South Omaha, has composed a letter which he sends to the agency's automobile insured telling them what to do in case of accident. He started doing this recently, but already the response has been very good, with a number of requests for additional copies of the letter.

Mr. Johnson was prompted to undertake this additional service to insured because he noticed that many clients of the agency were completely baffled by the red tape it was necessary to go through after an automobile accident. He finally concluded that the responsibility was his as an agent to take the trouble to inform them. Clients of the agency and members of their families now are pretty well informed about what to do. The agency plans to send the same letter to new customers as time goes on.

In addition to the letter, Mr. Johnson encloses a pamphlet gotten up by Nebraska State Bar Assn. on what to do in case of an accident and how to safeguard the driver's license, based on the Nebraska law.

•

Mr. Johnson's letter is specific and detailed. It describes step by step what insured must or should do to comply with the law and to make it easier to get the loss adjusted, etc. The first thing is to arrange for first aid, and the letter then points out that necessary expenses are payable under the automobile policy whether or not insured is liable. The next step is to advise the police, then notify the agency, and make a sketch of the accident (and for this purpose an accident loss notice is enclosed in the letter with a sketch form and a pencil so that insured can practice before he has an accident). The letter cautions insured not to admit fault, even casually, to plead not guilty to traffic charges, not to sign a statement for the insurer of the other car owner, get written estimates of the cost of repairs, which should be referred to the agency, etc.

The letter also contains some strong recommendations for insured to add medical payments to the policy, get auto accident coverage and unsatisfied judgment endorsement, use scotch light reflectors, put in seat belts front and rear, and have adequate limits. Advice about Mexican coverage and an explanation of the Nebraska traffic point system are included.

—

Plaque Commemorates Ferry

A bronze relief plaque commemorating Dexter M. Ferry Jr., former president and a director for over 50 years of Standard Accident, has been unveiled in the lobby of the company's home office. Beneath the likeness of Mr. Ferry is an inscription reading: *Dexter M. Ferry Jr., civic and business leader, philanthropist and patron of the arts.* He was the son of the founder and first president of Standard Accident.

General Of Seattle Appoints Three Chief Underwriters

General of Seattle has made three top underwriting appointments in fire, auto and personal lines departments of its northwest division office.

Richard Stevick, former Seattle service office manager, has succeeded Russell A. Barton as chief auto underwriter. Mr. Barton has been transferred to a similar post in the company's new southern California division office.

Whittaker Hemion has been named chief fire underwriter, and Harold Cook will be chief underwriter of the personal lines department. Previously administrative manager of the Seattle metropolitan office, Mr. Cook has been with the company since 1949, working in the premium adjustment department and as casualty examiner and underwriter. Mr. Hemion's previous assignment was as fire underwriter in the Seattle metropolitan office. He has been with the company since 1937. Mr. Stevick joined General in 1947 as a claims man, later becoming administrative manager at Portland, Ore.

—

Rock County (Wis.) Board Elects

E. S. Phillips, Janesville, Wis., has been elected president of Rock County Board of Insurance Underwriters at Janesville, succeeding W. B. Sullivan. Other new officers are Jerry Schuster, Beloit, vice-president, and Aaron Jensen, Janesville, secretary-treasurer. Executive committeemen named were William Buchholz, Edgerton, Vincent Sullivan, Janesville, and Clarence Chesky, Beloit.

Royal-Globe Names Callan Assistant U. S. Manager, V-P

R. Gordon Callan has been appointed an assistant U.S. manager and vice-president of Royal-Globe. A secretary of the group since 1953, he has been in charge of casualty underwriting and will continue to have that responsibility.

R. Gordon Callan

He joined Royal-Globe in 1935 at Glasgow, and was transferred to New York in 1947, following his release from the British army after seven years of service. Named assistant manager of the automobile department at New York in 1950, he was advanced to manager the following year, and appointed casualty manager in 1952.

—

Nev. Agents Setting Up PR, Speakers Unit

Nevada Assn. of Insurance Agents is organizing a public relations body which probably will be called Nevada Insurance Information Service. Its program will include state-wide speaking engagements on the insurance business, with major emphasis on accident, fire and other types of loss prevention. George Stetson of Reno is temporary chairman. The organization would have the active support, cooperation and counsel of Pacific coast office of Association of Casualty & Surety Companies and Western Insurance Information Service.

—

Long Beach (Cal.) College, WIIS Co-sponsor Lectures

Instructors of the lecture series on current developments in fire and casualty insurance given by Long Beach (Cal.) City College were feted recently at a dinner by Western Insurance Information Service, upon completion of the course. The college and WIIS cooperated to present the lectures, WIIS supplying insurance leaders as lecturers.

Purpose of the series was to enable agents, brokers and students to learn of new policies, forms and changes, and to form "a meeting of minds and consideration of some problems confronting the industry," according to Keith F. James, coordinator of district education at the college.

IT'S YOUR TOMORROW

OUR BUSINESS is in a challenging period of expansion, of change, of transition.

These may be times that test our patience and our ingenuity but we cannot doubt the promise of a more stable tomorrow.

Companies and agents who are sensitive to the great growth potential of our economy have their eyes on the future.

Because the stakes will be larger and the competition more exacting, they are planning *now* for the growth they hope to achieve one, five or ten years from now.

They are improving their efficiency, their service, their productivity. They are reviewing company-agency relationships to determine the best "partnerships" for the long pull.

Some of the finest agents in America are "looking ahead with The London Group." They know they can count on these sound, farseeing companies to help them make the most of the future.

How about you? It's your tomorrow!

THE LONDON GROUP

THE LONDON ASSURANCE · THE MANHATTAN FIRE & MARINE
GUARANTEE INSURANCE COMPANY

Executive Office: **55 JOHN STREET, NEW YORK**

Regional and Branch Offices: SAN FRANCISCO · LOS ANGELES · CHICAGO
INDIANAPOLIS · RICHMOND · LANSING

H. WM. SADLER
& CO.

- REINSURANCES
- SURPLUS LINES
- EXCESS COVERS
- OCEAN MARINE

Correspondents of
Lloyd's, London

175 W. Jackson Blvd. Chicago 4
WAbash 2-7681 Cable - Sadlerco
TWX CG 1659

Use Of Electronics At Zurich Overcomes Data Problems Of Volume, Complex Operations

A company's work load does not have to be unwieldy to make electronic handling of data practicable, according to N. J. Kuhlman, director of electronics for Zurich at Chicago. Such handling is of great value with procedures of comparatively small volume when they require a multiplicity of clerical handling and mathematical calculations to produce the desired result. Such has been the case in Zurich's offices at Chicago with the application of electronics to a definitely low-volume operation such as aviation reinsurance.

At the same time, electronics has been a great boon to Zurich on the other end of the volume scale, expeditiously performing a job such as casualty premium accounting in which great masses of data are involved each day.

•

In Zurich's Chicago headquarters, the problems of volume and complexity are being overcome with the use of an IBM Type 650 electronic data processing system. The 650 magnetic drum data processing machine, the heart of that system, is responsible for savings in time and money which make the use of the computer economically feasible and desirable. More than that, the 650 has refined integrated data processing to so great a degree that Zurich has attained new levels of accuracy and efficiency in a half-dozen of the most important functions of an insurance company's work program, Mr. Kuhlman states.

Serving as the computing center for data processing efforts, the 650 computer and its corollary machines are handling the company's premium and agency accounting, production of a valuable assortment of reports, quarterly determination of agency earned premium results, fire installment procedures, and aviation reinsurance. In each of these applications, the improvement in time spent over previous methods has been at least 50%. In most instances, the improvement is considerably greater than that. Premium accounting, for example, is being completed in one-third the time formerly required.

The economy in time achieved in report preparation is likewise enormous. Because of the reduction in card handling, and the rapid computations made possible by electronics, one of the monthly reports is now prepared in three days, whereas it used to take 14 days.

Another important factor to consider when judging the time savings made possible by use of the computer is growth. In the five-year period which ended at the time electronic data processing was introduced in Zurich's Chicago offices, the net premiums written increased by more than $15 million. Projected over the forthcoming five-year period, growth of this nature would have created new and more serious problems for previous data processing methods.

Even at the present level of business, accounting procedures involve a tremendous work-demand. All policies written in the company's 11 branch offices throughout the U. S. are submitted to Chicago headquarters in typewritten form. The applications go to a staff of 53 card punch operators, who transform the information into punched-card form which can be processed by computing and machine accounting equipment.

At present, the company is punching more than 280,000 line items a month. This punching of information about premiums written and losses paid is the starting point of its electronic data processing. Basically, everything else it produces is a by-product of the cards created at this time.

Besides the casualty insurance processes, the computing center also handles fire installment insurance procedures. The 650 extracts monthly fire installments automatically, and summary reports are run each month from those cards. Zurich did not enter the fire insurance field until about the same time as its use of the type 650 magnetic drum data processing machine began. However, the company feels that its fire insurance procedures would take at least twice as much time as they do if it did not utilize electronic data processing.

•

Aviation insurance is written by agents of a subsidiary of Zurich, Aero Associates. Because of the high degree of risk in this field, about 90% of every dollar written is reinsured elsewhere, so that there are 10 participants for every dollar. This, and other factors, greatly complicated the work required on these policies. But now, in two days, Zurich is able to accumulate monthly premiums and apply percentages for reinsurance for all phases of the aviation business, including premium written, premium in force, losses paid, and loss reserve. It used to take six weeks.

In this case, as in all the other applications mentioned, speed is only one advantage realized through electronic data processing. Proper application of this system has also meant a great reduction in the multi-handling of information, with encouraging increases in accuracy.

"Our IBM system has proven its worth to us. By the same token, we believe, electronic data processing can prove itself invaluable to the entire insurance industry," Mr. Kuhlman declares.

—

To Assist On M. D. Lincoln MS

Directors of Nationwide have commissioned an author to assist President Murray D. Lincoln in preparation of a book which may take the form of an autobiography of Mr. Lincoln, although a spokesman said it will be designed to "establish our companies as an economic pioneer in merging the principles of cooperative enterprise with the practices of big business." David Karp, novelist and radio and TV script writer, is the collaborator and the manuscript will be published by McGraw-Hill, probably in the first half of 1959.

—

Claims Managers Elect

Milwaukee Casualty Insurance Claims Managers Council has elected Arvid V. Moberg, American Mutual Liability, president; Ray Watry, U.S.F.&G., vice-president, and Emory Shaft, Glens Falls Indemnity, secretary-treasurer.

—

Texas Assn. Publishes Directory

Texas Assn. of Insurance Agents has published a directory listing 1,760 members as of last Aug. 31. The directory also contains officers and committees of the state association and presidents and secretaries of locals.

Experienced Underwriting
Prompt Claims Handling
Special Engineering Service

The
TRI-STATE GROUP

Tri-State Insurance Company

Midwestern Insurance Company

Farmers and Merchants Insurance Company

All
MULTIPLE LINE

Home Offices
Tri-State Insurance Building Tulsa, Oklahoma

REINSURANCE
Through Intermediaries Only
FIRE—CASUALTY
THE STUYVESANT INSURANCE COMPANY

Executive Offices
1105 Hamilton St., Allentown, Pa.
HEmlock 5-3541

Reinsurance Department
309 West Jackson Bvd., Chicago 6
WAbash 2-7515

The Extra Money Clause!

Family plans that cover everyone in one policy? Sure, there are lots of them—all good and almost all alike.

For instance, they all feature protection for every member of the family in one low-cost package . . . one policy, one premium.

But how many of them have the "Extra Money Clause"? Occidental's Family Plan* does. This clause provides that if the wife dies, the husband will receive a $50 monthly income for a specified period of time dating from policy issue—in addition to a $1,000 lump sum payment!

Occidental representatives are finding that this additional feature means extra money to them as well as to their clients.

**Sold only where state laws permit.*

"A Star in the West . . ." ☆

Occidental Life INSURANCE COMPANY OF CALIFORNIA

HOME OFFICE: *Los Angeles*
W. B. STANNARD, *Vice President*

10 Finance Firms Named In Colo. Monopoly Suit

Ten Denver and New York financial organizations were charged with seeking to monopolize Colorado fire and casualty business in a suit filed in Denver federal district court. Five Denver area brokers accused the lending companies of forcing borrowers to obtain fire and casualty coverage through the banks. The brokers asked $45,000 damages for sales commissions they claim they lost as a result of the banks' activities.

The insurance men are: David Butler and Charles J. Mankin, both of Denver; Ralph Johnson and Al Feit, both of Thornton; and Richard R. Myers, Boulder.

Defendants named in the suit are: Columbia Savings & Loan Association, General Investment Co., Johnson-Anderson Mortgage Co., and Industrial Federal Savings & Loan Association, all of Colorado; and the Bank for Savings in the City of New York, Chase Manhattan Bank, Roosevelt Savings Bank, Williamsburg Savings Bank, Irving Savings Bank, and the Brooklyn Savings Bank, all New York corporations. The New York companies grant real estate loans and mortgages in Colorado through agents, the suit said.

The lending companies, the action charges, are requiring persons who seek real estate loans to "secure and maintain hazard insurance in amounts and in companies approved by the defendants." The suit said this is "an arbitrarily imposed condition." According to the brokers, the banks are attempting to monopolize the hazard insurance business in Colorado, particularly in Denver, Adams, Boulder, Jefferson, and Arapahoe counties.

Kemper Names Gilmore

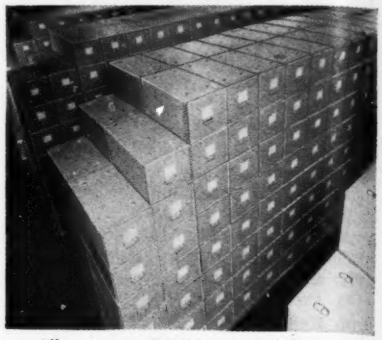
John A. Gilmore has been elected assistant general counsel of Lumbermens Mutual Casualty and American Motorists. He was an attorney with U. S. Treasury Department for 12 years through 1953, serving as a special assistant in the chief counsel's office of Internal Revenue Service and finishing as regional counsel for Omaha region comprised of nine midwest states. Before going with Kemper he was tax specialist for a large New York law firm. He is admitted to practice before U. S. Tax Court and United States Supreme Court and a member of the bar in Iowa, New York and D. C.

Cal. Insurer Files To Sell Bonds

Sequoia Ins. Co., Palo Alto, has applied to the California department for a permit to exchange its class A and class B shares on a parity basis and to issue and sell debentures in an amount not to exceed $1 million with no fixed maturity date, to officers and employes of the company and to directors, agents and members of Country Mutual companies. The debentures are to be sold in units of $200.

North America has moved its Newark office to the 15th floor of a new 17-story building at 520 Broadstreet there. The office was moved to the Washington street address from 9 Clinton street last May.

Q. GOT HIGH-PRICED HELP LOOKING FOR RECORDS?
A. LOW-COST "CONVOY" STORAGE FILES!



All your semi-active or inactive records are instantly available. What a time and money-saver today!

Rigidized permanent Drawer and Shell construction eliminates shelving and costly searching (the biggest item).

All this at half the cost of steel because "CONVOYS" are heavy duty corrugated board processed to remarkable strength.

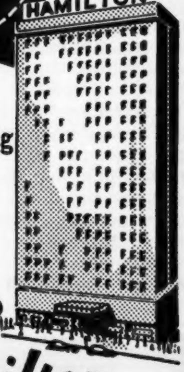
Sizes: letter, legal, check, deposit slip, tab card . . . 10 others.

There's a dealer near you — or write

CONVOY, Inc.
STATION B, BOX 216 U
CANTON 6, OHIO

♥ Heart of the LOOP
CHICAGO
NEWLY DECORATED
Advance reservations required

300 modern newly decorated sleeping rooms from $4 single



11 meeting rooms accommodating 10 to 800 persons

For Reservations Write Samuel Leeds, Mgr. Dir., Box 100

NEW **Hamilton** Hotel
20 S. Dearborn St., Chicago

In Kansas City, It's The Bellerive Hotel
100% Air-Conditioned

Munich
REINSURANCE COMPANY
OF MUNICH, GERMANY

UNITED STATES BRANCH

MULTIPLE LINE REINSURERS

MUNICH MANAGEMENT CORP.
United States Manager

70 PINE STREET
NEW YORK 5, NEW YORK
Telephone: BOwling Green 9-5532

1401 PEACHTREE STREET, N. E.
ATLANTA 9, GEORGIA
Telephone: TRinity 5-8969

W. W. GREENE, Inc.

Reinsurance

SURVEYS CONTINUING COUNSEL TREATY PLACEMENT

Casualty • Fire & Allied Lines

American & Foreign Markets

68 WILLIAM STREET NEW YORK 5, N. Y. BOWLING GREEN 9-2373

NAIA Discusses Wide Range Of Activity

(CONTINUED FROM PAGE 5)

the danger of a renewed upward spiral of inflation," he observed

What is happening in Washington today is expected to have repercussions businesswise upon NAIA membership for years to come, he said.

Reviewing the trend in the federal government, particularly in the Defense Department, toward government self insurance and centralized purchase of insurance coverage into one blanket policy replacing the multiplicity of policies written and serviced by NAIA members throughout the country, he said there is need for a concerted industry-wide approach to this problem which goes beyond and above a staff level.

Mr. Herndon referred to the commendation NAIA recently received from the inter-departmental committee on internal security for its leadership in assisting in developing a voluntary internal security code for insurance producers which could be activated in a time of national emergency to prevent valuable information from falling into the hands of an unfriendly power.

He also referred to a new order from the Defense Department which regulates the soliciting of auto insurance at army bases. Because it may cause considerable confusion and some difficulties to members of NAIA, copies of this order are being sent to all state associations for the information of their members, he said.

•

Mr. Herndon commented on the quick response of some state associations to the NAIA's request for assistance in combatting the renewed efforts of national banks to expand their insurance activities. He recalled NAIA's efforts in helping to defeat this legislation last year were mainly due to the excellent cooperation of member agents on the grassroots level countrywide.

Mr. White reported on the recent activities of the special committee on financed automobile insurance, of which he is chairman. He pointed out that "never before, to our knowledge, has there been an incident in this business when overcharges were made by the insurance industry." He added that "by the very nature of the business and the intense competition therein, the lowest premiums possible have been those which the public has paid. Through the introduction into the business of non-insurance salesmen who were not fully familiar in the use of rates and rules, we have had the automobile industry charging excessive insurance premiums. Reason enough, then, for the insurance commissioners to be unprepared for such an occurrence."

Mr. Fullington, chairman of the casualty committee of NAIA until his appointment to the executive committee, reported on recent activities of his former committee. He reviewed conferences held recently with National Bureau of Casualty Underwriters and National Automobile Underwriters Assn. regarding developments in the casualty field, with special emphasis on improvements in forms and coverages.

The executive committee examined preliminary program plans and arrangements for the NAIA annual convention scheduled for Oct. 6-8, 1958, in New Orleans.

Compulsory automobile insurance legislation also came in for review. Mr. Hartson proposed several additional ideas for the use of state associations to help them combat the threat from this type of legislation.

•

Chairman Frank R. Bell Jr., Charleston, W. Va., discussed recent activities of the property insurance committee, as well as plans for the coming year. He said agents were encouraged by the progress in development of an improved dwelling package policy by the Multi-Peril Insurance Conference. Many agents had sent in suggestions for improvement which were helpful and NAIA has continued to cooperate with the conference toward greater improvements, he said.

Guy T. Warfield Jr., Baltimore, past president of NAIA, discussed the general field of insurance for commercial uses of atomic energy. He was named chairman of a special nuclear energy risks committee by President Woodbury. Ralph W. Howe, Richmond, Va., was also named to this committee.

Exclude Indonesia, Dutch New Guinea From War Risk

British underwriters of war risk coverage on vessels have added Indonesia and Dutch New Guinea to the excluded areas on all insurance contracts arranged on or after Dec. 11.

Other areas excluded for war risk on vessels are Elath, North Korea, and China ports south of Shanghai and east of Hong Kong other than Formosa.

All American Stands Pat

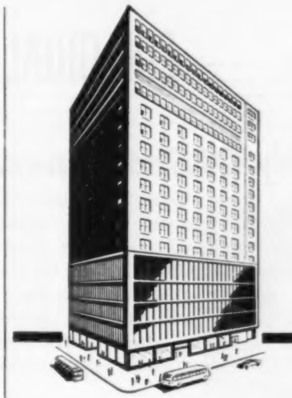
WASHINGTON—All American, which Superintendent Jordan of the District of Columbia department ordered to show cause why its application for license renewal should not be refused, failed to file a brief appealing the order in appeals court here. The deadline for filing passed without any action being taken by the company.

Mr. Jordan's order, sustained by a district court decision in his favor, was stayed by the upper court pending appeal. Mr. Jordan moved to refuse license renewal to the company on ground it had violated the law by filing a false annual statement.

Celebrate 10th Anniversary

Some 40 members of Wichita Casualty & Surety Club celebrated its 10th anniversary at a recent dinner meeting. Slides showing various types of steam engines were presented. The club now has 65 members.

Donald B. Barker, Frederick J. Bugle, John E. Plunkett, and Lowell D. Snorf Jr. of Kemper group have been named members of Central Automobile Safety Committee, the nation's oldest organization devoted exclusively to the study of automobile accident causes and traffic accident prevention. The committee will mark its 41st anniversary March 15.



PLM Tips and Topics

• It has been said that upwards of 80% of all dwelling properties in America at present are underinsured. In the case of their contents, the figure is probably higher.

• Most of the inadequacy is due to the steadily mounting costs of rebuilding and of replacement.

• This is an unhealthy situation. It is a dangerous one for the property owner. It is an unfavorable one for the growth of the institution of insurance. And last, but by no means least, it is an unprofitable one for the local agent.

• As more and more agents come to realize the seriousness of the situation, they are coming also to understand it as a public service they owe their community to help remedy. They are reviewing their present clients' policies with them and persuading them to increase their coverage to really *cover*, not merely to contribute, in the event of loss.

• Incidentally, they are finding that their best prospects for increased volume are these same present clients. It is a vast potential, a big job, and it needs to be done in everybody's interest: the policyholder's, the agent's, and the company's.

PLM OFFERS YOU:

COMPLETE COVERAGE of fire and allied lines, including these currently most-wanted coverages—the popular Money-Saving Homeowners, Inland Marine, Fire and Extended Coverage. Why not get in touch with us *now* about representation, while you think of it. It could turn out to be one of the most profitable contacts you ever made.

plm

Writing FIRE and ALLIED LINES
"In the Birthplace of American Mutual Insurance"

PENNSYLVANIA LUMBERMENS MUTUAL INSURANCE COMPANY • PLM Building • Phila. 7, Pa.

Branch Offices in New York, Los Angeles, Charlotte, N.C.

—Audits for Casualty & Inland Marine Carriers

K. L. PEARCE COMPANY PAYROLL AUDIT SERVICE

Payroll Audit Service—has the ability and get-up to get the job done adequately.
PROMPT SERVICE—Payroll and other casualty audits by representative field auditors. AGENCY CONTACT ALWAYS.

HOME OFFICE—INSURANCE EXCHANGE Bldg., DES MOINES, IOWA. PHONES CH 3-8649—CH 3-8640

IOWA MINNESOTA DAKOTAS NEBRASKA MISSOURI ILLINOIS WISCONSIN
INDIANA MICHIGAN KANSAS OKLAHOMA COLORADO NEW MEXICO

The NATIONAL UNDERWRITER

ABC

The National Weekly Newspaper of Fire and Casualty Insurance

EDITORIAL OFFICE

Tel. BEekman 3-3958
17 John St., New York 38, N. Y.
Executive Editor: Kenneth O. Force.
Assistant Editors: John B. Lawrence Jr. and Robert Young Jr.

CHICAGO EDITORIAL OFFICE

Tel. WAbash 2-2704
175 W. Jackson Blvd., Chicago 4, Ill.
Managing Editor: John C. Burridge.
Assistant Editors: Richard G. Ebel, William H. Faltysek and William H. Faricy.
Production Editor: George H. Downs.

ADVERTISING OFFICE

175 W. Jackson Blvd., Chicago 4, Ill.
Telephone WAbash 2-2704
Advertising Manager: Raymond J. O'Brien

SUBSCRIPTION OFFICE

420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

OFFICERS

Howard J. Burridge, President.
Louis H. Martin, Vice-President.
John Z. Herschede, Secretary-Treasurer.
420 E. Fourth St., Cincinnati 2, Ohio.
Telephone Parkway 1-2140.

SALES OFFICES

ATLANTA 3, GA.—423 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

BOSTON 10, MASS.—80 Federal St., Rm. 342, Tel. Liberty 2-9229. Roy H. Lang, New England Manager.

CHICAGO 4, ILL.—175 W. Jackson Blvd., Tel. Wabash 2-2704. O. E. Schwartz and A. J. Wheeler, Chicago Managers. R. J. Wieghaus and William D. O'Connell, Resident Managers.

CINCINNATI 2, OHIO—420 E. Fourth St., Tel. Parkway 1-2140 Chas. P. Woods, Sales Director; George C. Roeding, Associate Manager; Arthur W. Riggs, Statistician.

DALLAS 1, TEXAS—708 Employers Insurance Bldg., Tel. Riverside 7-1127. Alfred E. Cadis, Southwestern Manager.

DENVER 2, COLO.—234 Commonwealth Bldg., Tel. Amherst 6-2725. Fred L. White, Rocky Mountain Manager.

DES MOINES 9, IOWA—327 Insurance Exchange Bldg., Tel. Atlantic 2-5966. D. J. Stevenson, Resident Manager.

DETROIT 26, MICH.—613 Lafayette Bldg., Tel. Woodward 5-2305. William J. Gessing, Manager for Indiana and Michigan.

INDIANAPOLIS 20, IND.—5634 N. Rural St., Tel. Clifford 3-2276, William J. Gessing, Manager for Indiana and Michigan.

LOS ANGELES 66, CAL.—11326 Kingsland St., Tel. TExas 0-8159. E. C Faris, Associate Pacific Coast Manager.

MINNEAPOLIS 2, MINN.—1038 Northwestern Bank Bldg., Tel. Federal 2-5417. Howard J. Meyer, Northwestern Manager.

NEW YORK 38, N. Y.—17 John St., Room 1401. Tel. BEekman 3-3958. J. T. Curtin and Clarence W. Hammel, New York Managers.

NEWARK 2, N. J.—10 Commerce Ct., Tel. Market 3-7019. John F. McCormick, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad St. Room 1027, Tel. Pennypacker 5-3706. Robert I. Zoll, Middle Atlantic Manager.

ST. LOUIS 2, MO.—221 Pierce Bldg., Tel. Chestnut 1-1634. Geo. E. Wohlgemuth, Resident Manager.

SAN FRANCISCO 4, CAL.—582 Market St., Tel. Exbrook 2-3054. Richard G. Hamilton, Pacific Coast Manager.

CHANGE OF ADDRESS

Be certain to enclose mailing label with new address. Allow four weeks for completion of the change. Send to subscription office, 420 E. Fourth St., Cincinnati 2, Ohio.

EDITORIAL COMMENT

Safety Of Shabbiness In These Times

In these times of stricter underwriting, dreadful surplus losses, rising rates, and pressures of various kinds on costs, including commissions, the insurance company that wants to avoid the critical eye of policyholders, agents, commissioners, and stockholders had better maintain a uniformly shabby appearance.

The company that has planned or completed new offices, especially a new home office, in these parlous times faces a particularly ticklish public relations situation. Not all policyholders, agents, commissioners and stockholders think carefully enough to recognize that a home office being opened today was planned long ago, and that a company may be planning a new home office today for perfectly sound reasons. After all, a place to conduct a business is an essential business expense, and a new place to conduct business may be the wisest kind of investment even in these times.

W. Judd Wyatt, advertising director of MFA Mutual of Missouri, which has recently completed a new home office in Columbia, deals with this problem in an article in the December issue of *The Missouri Farmer*. He points out that some people have wondered if the new home office building has an effect on rates. Studies of business operations show that the cost of rent is about equal to the cost of ownership, and rent or ownership is the cost of doing business, he points out.

The need for a new building was imperative, he adds. The company had been paying rent since it was organized in 1946 and had far outgrown the office space available. Crowded working conditions combined with the fact that part of the staff was located in one building and part in another, more than two miles away, contributed to delay, inefficiency and increased cost of operations. The investment in the new building will increase efficiency and eliminate rent payments on the quarters formerly occupied.

If the funds had not been invested in the new building, they would have been invested in some other type of security, the interest from which might or might not equal the rent payments on similar efficient quarters, he observes. He notes the obvious fact that other insurers have home office buildings and that many of them are finding it expedient to own branch office buildings as well. After all, it is not home office buildings that have forced rates upward—but more and more expensive cars, an increase in the frequency and severity of accidents, higher repair and labor costs, rising jury verdicts, hospital, medical and professional costs, etc.—K.O.F.

PERSONAL SIDE OF THE BUSINESS

Calvin Fentress Jr., chairman of Allstate and Allstate Life, was injured in a plane crash at suburban Lake Forest, Chicago. Shaken up, he was given emergency treatment at Lake Forest hospital and released. Owned by Chicago Insurance agency, the plane was piloted by Vaughan Spalding Jr., son of the late Vaughan Spalding Sr., investment broker. Coming in for a landing on the Charles H. Swift Jr. estate, the plane overshot the field, cleared the house and crashed into branches of trees and fell. Also on the flight were Mrs. Wood Addington, who is Mr. Fentress' sister-in-law, and **Arthur G. Hailand Jr.**, vice-president of Chicago Insurance agency. Injuries to the other three were relatively minor, consisting mostly of head and face lacerations.

R. T. Johnstone, vice-president and manager of Marsh & McLennan at Detroit, has been elected vice-president of Detroit Convention & Tourist Bureau, promotion and information agency for conventions, trade shows and visitors.

Henry A. Keck, vice-president of the fire companies of America Fore and a veteran of 52 years with the group, will retire Jan. 1. He is supervisor of the accounts, register, unearned, policy service and analysis departments at the home office. He entered insurance with John Hancock in 1904, and joined Continental the following year. He was appointed chief clerk in 1915, and supervisor of the home office accounts department in 1925. He was named an assistant secretary of the fire companies in 1944, and advanced to vice-president last March.

Edgar D. Tripple, a vice-president of Rockwood Co. agency, Chicago, has been named 1958 membership vice-chairman in his region for National Assn. of Life Underwriters. He will be responsible for Illinois, Indiana, Iowa, Missouri and Wisconsin.

Edward L. Mulvehill, president of American Re, has been elected a director-at-large, and **Ashby E. Bladen**, vice-president of Aetna Fire, renamed a director, of New York Board of Trade.

Arthur E. Crandall, assistant to the comptroller of Phoenix of Hartford, has been selected as the outstanding CPCU candidate of Hartford College of Insurance for the 1956-1957 academic year. He won $25.

DEATHS

AMBROSE F. BUCK, 57, special agent of Home, died at his home in Elkton, Md. He had been with the group since 1936 traveling Maryland. He formerly was district secretary of Underwriters Assn. of the Middle Department at Hagerstown, Md.

WILLIAM A. CARPENTER, 65, Pennsville, N. J., agent, died in Salem County Memorial hospital there. He had been in insurance 32 years and was Salem county treasurer 17 years before retiring in 1954.

EDWARD ST. CLAIR, 88, former vice-president and treasurer of North American Accident, died in Chicago. He joined the company as an attorney in 1900 and became vice-president and treasurer in 1932. He retired in 1945. Mr. St. Clair had long been active in the development of Health & Accident Underwriters Conference, which has since become Health Insurance Assn. of America.

GEORGE E. STROUB, 56, vice-president and secretary of Home at San Francisco, died there. He joined the company in 1916 as a file clerk, and after serving in the Pacific, underwriting and accounting departments in the head office, transferred to Montana as a special agent in 1924. He later served as a special agent in Arizona, Southern California and Michigan and as a state agent in Montana. Returning to the head office in 1934, he was elected an assistant secretary of the company in 1938, vice-president and secretary of the Pacific and foreign division in 1947. He was transferred to the San Francisco office to take charge of Home's west coast operation in 1951. At the time of his death, he was president of Pacific Fire Rating Bureau and a member of the advisory committee of General Adjustment Bureau and Underwriters Salvage Co. He also was a member of the Pacific coast committee of National Board, where he served on the committee on adjustments.

George E. Stroub

SAUL PRESENT, 75, agent at Lafayette, Ind., died of a heart ailment.

CHARLES T. HUTSON, 82, formerly secretary of United Pacific Ins. Co. for more than 25 years, died at Seattle in his home of a heart attack.

ALBERT E. ERNST, 68, owner and manager of the first insurance agency in Illinois, died at Alton. He had been with the agency, founded by Louis Kellenberger in 1849, for 53 years.

LESTER C. LOCKWOOD SR., 84, assistant secretary in the New York branch of Firemen's of Newark, died of a heart attack in Port Chester, N. Y. He entered the business in 1900, and joined Firemen's in 1928, when it absorbed the agency he operated in partnership with his brother, Arthur Lockwood. He was appointed assistant secretary of Firemen's in 1937.

EVERETTE H. HUNT, 69, counsel and secretary of Insurance Federation of New York from 1941 until his retirement in 1955, died in Albany. Prior to joining the federation he was counsel of the joint legislative committee for the revision of New York insurance laws.

WILLIAM S. CUMMING, 69, bond manager at Detroit of Maryland Casualty, died in his sleep. He had been with the company since 1931.

WILLIAM T. ASHBY, 75, an insurance broker with Joseph Byrne Co. of Newark, died at his home in Upper Montclair, N. J.

Crop-Hail Assn. Elects Morgan

Lloyd E. Morgan, Corroon & Reynolds, was elevated from vice-president to president of Crop-Hail Insurance Actuarial Assn. at the annual meeting in Chicago last week. He succeeds Clay F. Laude, Rain & Hail Bureau. Mr. Morgan has been with C&R at Topeka in charge of the hail department since 1939, and before that was with Inter-Ocean Reinsurance in the hail department from 1922.

LLOYD E. MORGAN

L. G. Van Zile, Fireman's Fund, is the new vice-president of Crop-Hail Assn., moving up from secretary. The new secretary is Martin E. Aegerter, Home.

Richard J. Roth is assistant secretary and manager of the association and Phillip S. Brown is assistant manager.

Cleveland All-Industry Luncheon Draws 550

Cleveland's 12th annual all-industry luncheon held at Hotel Manger had an attendance of more than 550. Joseph E. Comtois of Shaker agency, president of Cleveland CPCU chapter, presided. Following the luncheon, Cleveland chapter held its annual meeting and reelected everybody.

Ella-Rachel Lyons of E. B. Lyons agency, Detroit, and a national CPCU director, awarded diplomas to five northern Ohio men.

John D. Phelan, vice-president and general sales manager of American States, Indianapolis, was the featured speaker. A CPCU, he discussed some of the current problems facing the business, stressing the need for men with "think-how" ability to supplement the "know-how" already demonstrated by the industry. He commented on the emphasis being placed on all risks contracts, as well as the "unwieldy general liability manuals" and stated that among the outstanding problems in need of attention is the threat of compulsory auto insurance in states not now "encumbered with such a law." he also suggested a more realistic approach to auto physical damage underwriting, pointing out that too much weight is placed on total value and too little on damageability.

The luncheon was preceded by a panel on contractual liability by members of Northwest Ohio CPCU chapter. Participants were: Edward J. Andelman, Kenneth H. Croll, Kenneth T. Crothers, Kenneth H. Harger, William A. Johnson, Frank L. Oakes and Dean C. Picton.

General Accident Names Indiana Asst. Manager

Carl E. Adams has been appointed assistant manager of the Indiana branch office of General Accident and Potomac. Mr. Adams began his insurance career in Pittsburgh, and has been Indiana state agent for New York Underwriters since 1950.

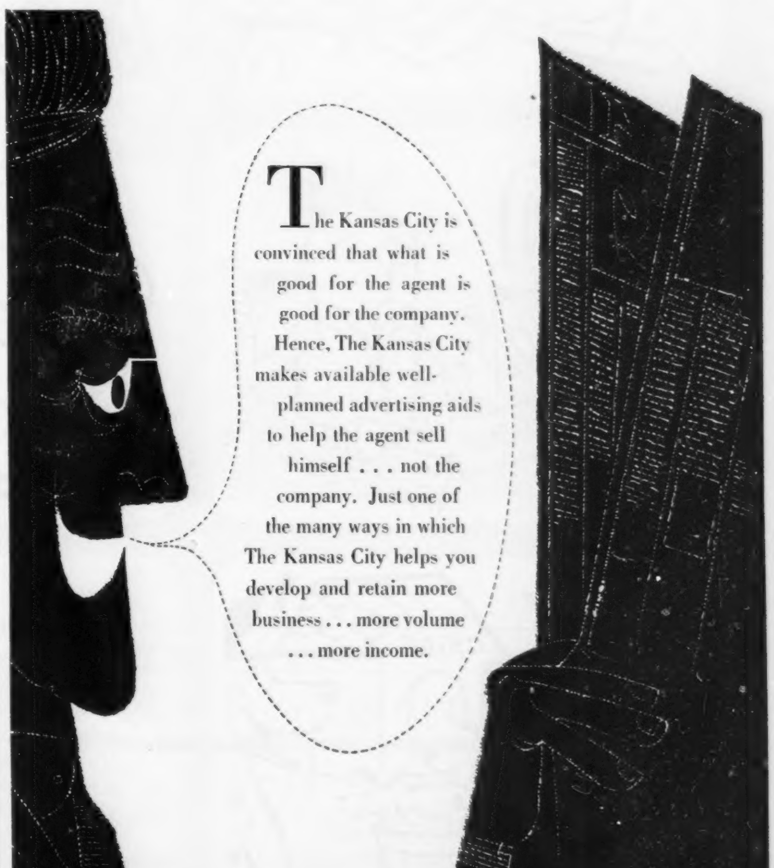
STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.
135 S. LaSalle St., Chicago, Dec. 17, 1957

	Bid	Asked
Aetna Casualty	127	130
Aetna Fire	47	48¼
Aetna Life	185	190
Agricultural	23½	24½
American Equitable	26¼	27¼
American (N. J.)	20½	21½
American Motorists	9	9½
American Surety	11¾	12¾
Boston	26¾	27¾
Camden Fire	24¼	25
Continental Casualty	69¾	71
Crum & Forster com.	44	46
Federal	34¾	35½
Fire Association	31½	32½
Fireman's Fund	42½	43½
Firemen's (N. J.)	36½	Bid
General Reinsurance	43¼	44½
Glens Falls	24¼	25
Globe & Republic	15¼	16¼
Great American Fire	30¾	31½
Hartford Fire	124	126
Hanover Fire	30	31
Home (N. Y.)	33½	34½
Ins. Co. of No. America	91½	93½
Maryland Casualty	26½	27½
Mass. Bonding	25½	26½
National Fire	62	65
National Union	27½	28½
New Amsterdam Cas.	37½	38½
New Hampshire	34	35½
North River	30	31
Ohio Casualty	17½	19
Phoenix Conn.	51¾	52¾
Prov. Wash.	11½	12
St. Paul F. & M.	41½	42½
Security, Conn.	20½	22
Springfield F. & M.	35¾	36¾
Standard Accident	42	43
Travelers	74¾	75½
U.S.F.&G.	53	54
U. S. Fire	20¾	21½

"Service Beyond The Treaty"
Intelligent Reinsurance Analysis
FIRE • CASUALTY • TREATY • FACULTATIVE
REINSURANCE Agency Inc.
CHICAGO 6, ILLINOIS • 309 W. JACKSON BLVD. • WABASH 2-7515
KANSAS CITY 6, MISSOURI • 6 EAST ELEVENTH ST. • GRAND 1-1118

pioneers in multiple line underwriting
TRINITY UNIVERSAL INSURANCE COMPANY
SECURITY NATIONAL INSURANCE COMPANY
HOME OFFICE, DALLAS, TEXAS
EDWARD T. HARRISON, Chairman
GORDON S. YEARGAN, President



TO BUILD MORE BUSINESS KEEP MORE BUSINESS
REPRESENT THE KANSAS CITY—
A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS
Kansas City Fire and Marine
Insurance Company
301 West 11th Street • Kansas City, Mo.

Need Company, Agent Relations Study: Thorn

(CONTINUED FROM PAGE 5)

this business simply because they never go after it. They do not have proper social and business connections to meet these prospects, he said. This is a real problem involving better public relations, more doorbell ringing and longer office hours, and more plain old fashioned sweat. Here again producers and companies should counsel together, he said.

Companies must depend more on their field men and branch offices to keep them aware of the changing problems of the producers at the grass roots level. This liaison can be improved greatly from the present condition in which the field man has not the faintest idea as to what is going on up above. "The words 'ivory tower' should no longer be applied to the abode of top insurance executives," he stated.

In New York state, he said, the important problem is that of the automobile insurance market. In September producers violently objected to National Bureau of Casualty Underwriters' proposed new filing for increased liability rates, only because filing included a 5% reduction in production costs—meaning commissions. Despite objections by agents the refiling was made. Prior to the time the filing was made, he said, the state association was publicly on record to the effect that the inclusion of the reduction in production costs should have no bearing on the decision of the superintendent to approve or reject the filing, and that so long as the filing had been made, the commission question was strictly between the companies and producers. The rejection of the ruling by Superintendent Holz was a complete bombshell to the business, he said.

Mr. Thorn pointed out that it is obvious there is an urgent need for rate relief in New York, that for the first time in its 47-year history National Bureau has been thrown aside by the New York department, that it will surprise no one if some companies are forced to liquidate or enter into very hasty mergers, and that for the first time in New York politics has entered the picture, and for the first time "we are forced to demand a hearing preliminary to taking the matter into the courts."

He used the word "we", he said, because right now the commission question is transcended by the more vital problem of adequate rates. New York State Assn. of Insurance Agents has already pledged its support to the companies in this new fight. "Our partnership must be used here to the fullest extent possible," he said.

•

In his report to the meeting, President Nathanson sketched an uncertain future for independent brokers and agents handling the small and medium sized accounts. He asserted that too many persons in the upper executive and supervisory capacities of companies seem to have embraced the idea that price competition controls all.

He said that this idea was given impetus by Superintendent Holz in a decision rendered last September, in which he said that "Absent a threat to insolvency, a company has the right to compete in the market not only as to rates but also as to methods of merchandising, regardless of whether they are novel or merely modifications of existing patterns."

If carried to its ultimate design, Mr. Nathanson said, this dictum would permit the promulgation of net rates. This would mean the complete elimination of commissions and the virtual end of the small producer.

Herbert J. Pohs, chairman of the membership committee of the brokers association, said the group now has a membership of 2,000, and aims at having an additional 500 by the middle of 1958.

Open New Minneapolis Office Of North America

North America has moved its Minneapolis service office from the Plymouth building to a new one-story building at 2750 Park avenue. The office is the sole occupant of the building which has been leased for a 15 year term from Parkway Development Corp., the builders.

Colo. Group Votes Dividends

Stockholders of Colorado Ins. Co. and Colorado Credit Life have approved a stock dividend of 10% and 50% respectively. The stock dividend gives a capital increase of $25,000 to Colorado Ins. Co. and $100,000 to Colorado Credit Life, putting each company at a total capital of $300,000. Insurance in force for Colorado Credit Life has reached $125 million and this year Colorado Ins. Co. has written $250 million of insurance.

The Ken Potts and Grabenhorst agencies of Salem, Ore., have merged into the **Potts-Grabenhorst** agency.

Year in, year out, you can count on Central to deliver the dividends, because Central is a *strong* company. In spite of storms, wars, floods, economic crises, and major catastrophes, Central has assured policyholders of full strength and liberal dividends every year since 1876! Good reason why, when you sell Central, you sell for keeps. Selling Central is good business!

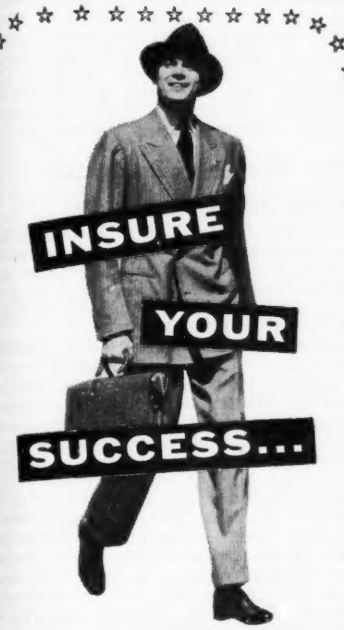
Check for yourself! Learn all about The Central Plan for producing added premium volume. Write; we'll see that you get information on The Central Plan.

Central Mutual
INSURANCE COMPANY
VAN WERT, OHIO
BRANCH OFFICES in Atlanta, Boston, Chicago, Dallas, Denver, Los Angeles, Montreal, New York, San Francisco, Toronto.

THE OLDEST INSURANCE COMPANY IN THE WORLD

SUN INSURANCE OFFICE LTD. FOUNDED 1710

55 FIFTH AVE., NEW YORK



SELL THE BEST in insurance!

Special plans and extra-special service mean fewer lost sales and increased income for you when you have United States Life to depend on. We may have the plan your client needs . . . as Brokerage Specialists we've grown through service into the Billion-in-force group. We welcome your surplus business and seek your inquiry! We have General Agency openings.

FOUNDED 1850

THE UNITED STATES Life INSURANCE COMPANY IN THE CITY OF NEW YORK

BROKERAGE SPECIALISTS

"Your best friend—in any case"

Agency Department
United States Life Ins. Co.
84 William St., N. Y. C.

Let's move ahead together. Send me information about the Company and facts on ☐ Life ☐ A&H ☐ Group.
☐ I am interested in a General Agency.

Name........................

Address........................

........................Phone........................

Kemper Group Names Four Assistant Secretaries

Lumbermens Mutual Casualty and American Motorists have named four new assistant secretaries with the appointments of Phillip T. Dalton, J. Morton Macomb, Purser K. Sturgeon and Floyd O. Terbell.

Mr. Dalton was manager of the companies' statistical tabulating department, and Mr. Macomb was branch casualty underwriting manager of Kemper group's eastern territory. Mr. Sturgeon was a statistician in the statistical actuarial department and Mr. Terbell was supervisor of claim training in the Chicago home office.

Mr. Dalton and Mr. Macomb have been with the Kemper organization for 25 and 23 years, respectively, and Messrs. Sturgeon and Terbell observed their 20th anniversaries last summer.

Statisticians Reelect

Assn. of Casualty Accountants & Statisticians at its annual meeting reelected President Douglas F. Kirsheman of Aetna Fire and all other officers. New members of the executive committee are John C. Barrows of American Surety, J. J. Flynn of Hartford Accident, E. F. Muller of U.S.F.&G., and T. Borwin Steele of Royal-Globe.

Sues W. Va. Bank Embezzler

Travelers Indemnity has sued the former auditor of Bank of West Virginia in circuit court at Charleston to recover $18,438 paid to the bank to cover losses resulting from the auditor's mishandling of funds.

The auditor, Lawrence E. Harris of Charleston, has pleaded guilty to two charges of a five-count indictment for embezzlement and is awaiting sentence.

Trotter Co. Names Two

Nathan Trotter Co. of Kansas City has appointed Earl Holmes vice-president and Fred Hall secretary. Mr. Holmes, with the company for three years, was formerly an underwriter for Aetna Casualty for 12 years. Mr. Hall was state agent in western Missouri for Reliance Ins. Co. for eight years and has been with the Trotter Co. since December of 1957. 1957.

The agency is celebrating its 75th anniversary this year.

Publish Seven State FR Laws

Assn. of Casualty & Surety Companies has published the auto financial responsibility and related laws of California, Connecticut, Illinois, Maryland, Missouri, Nevada, and Vermont, and those of Saskatchewan, Can., as part of its supplement service, which keeps its book *Automobile Financial Responsibility and Related Laws* up to date. Individual state and Canadian province laws are priced at 50 cents each. The complete book costs $12, with a slight additional charge for the supplement service. All are available from the editor, Law Publications, Assn. of Casualty & Surety Companies, 60 John street, New York 38.

John J. Maguire, Platt-Yungman & Co., president of **Insurance Agents & Brokers Assn. of Philadelphia & Suburbs,** has appointed the following chairmen of standing committees: John F. Mason, agency management; Harold A. Custer, Hare & Chase, bulletin advertising; Louis P. Sigel Jr., casualty; Frederick R. Drayton, Stokes, Packard & Smith, ethics; Lewis D. Einstein, Roser & Einstein, fidelity and surety; Roy Reinard, finance; Lawrence J. Wentz, Kindt, Kaye & Wentz, fire prevention and safety; Stanley Cowman, Mather & Co., legislature; Everett Stubblebine, membership; J. Carroll Goodman, Hutchinson, Rivinus & Co., property including inland marine; Herman Witte, program, and John A. Tifft, Tifft-Layer & Co., public relations.

COMPANY MANAGERS
•
INSURANCE AND REINSURANCE

Seibels, Bruce & Company

POST OFFICE BOX 1199
COLUMBIA, SOUTH CAROLINA

QUALITY . . . IS OUR FUTURE

Quality Can Be Your Future→

OUR POLICIES
Commercial or Non-Cancellable at Age 65 Accident & Disability
•
Hospital, Medical and Surgical with Optional Guaranteed Renewable & Deductible Features
•
Major Medical Expense
•
Cancer and Specific Disease Expense
•
Franchise Groups and Key Man Plans
•
Business Expense Disability

THE NEWEST
Hospital—Surgical and Major Medical Expense Combined ALL in One Policy
and
with Optional Guaranteed Renewable Features

"Quality Makes the Difference"
Our Policies
Give You Quality
because
"Quality Goes in Before the Name Goes On"

Desirable Agency Openings Available in the following
Arizona
Colorado
Florida
Illinois
Indiana
Iowa
Kentucky
Michigan
Minnesota
Missouri
Nebraska
N. Dakota
Ohio
Wisconsin
Inquire about our direct contract or brokerage arrangements.

ILLINOIS MUTUAL CASUALTY COMPANY
NON-ASSESSABLE

E. A. McCord, President

HOME OFFICE
411 Liberty
Peoria, Illinois

Dependable Accident, Sickness and Hospital Insurance Since 1910

A & S

Hospital Payments By Insurance Companies Up 500% Since 1948

NEW YORK—Benefit payments to persons covered by hospital expense policies underwritten by insurance companies have increased more than 500% since 1948, according to Institute of Health Insurance.

These benefits have risen at a faster rate than the cost of hospital care in the United States. During the period, 1948-56 hospital charges have increased 25%.

In a projection of 1956 totals reported by insurance companies writing health insurance policies, the institute estimates that more than $1 billion in benefits will be paid in 1957 under hospital expense insurance plans, as compared to some $150 million received by patients confined in hospitals in 1948. During 1956 alone, some $900 million was paid in hospitalization benefits, a 500% increase in nine years. These figures represent payments made to help cover the cost of hospital expenses only, and do not include benefits paid by insurance companies through other types of policies to cover the expenses of medical, surgical, and major medical care, and for loss of income expense insurance.

•

Evaluating the report, the institute said the "growth in benefit payments reflects both the greater proportion of hospital expenses being financed through insurance company policies, including practically every type of charge for hospital care, and the record expansion of these voluntary health insurance programs."

In this connection, the insitute noted that nearly 40%, or over 8 million people, of the 21 million who entered a hospital last year had insurance company policies to help pay for the cost of illness or accident. By the end of 1956, a record 66.3 million Americans were protected against the cost of hospital care, both through individual and family health policies, and under group insurance programs. This represents a 155% increase in the number of people thus covered since 1948.

In concluding its report of the rise in benefit payments in the last nine years, the institute also noted that there has been a decrease in the time a patient remains in the hospital. According to American Hospital Assn., the average length of time in short-term general hospitals in 1948 was 8.1 days per patient. At the end of 1956, because of the advances in medical care and treatment, this average was reduced to 7.7 days.

Sales Opportunities Of 20s And Today Compared

Sales opportunities today were compared with those back in the 20s, when life and A&S began to come into public notice, by John K. Luther, Aetna Life director of training at a joint meeting of San Antonio Managers Club.

Back in the 1920s there were many prospects but agents had to compete with the stock market, since everyone was sinking his money for large profits in the stock investments. "The crash came and the prospects struggled to buy. The market now held their surplus funds. It was an era of cut price competition. The boss paid the clerk more than he received. Then came a realization of need for security of self and family," Mr. Luther explained.

He carried the development of the industry through World War II and its concomitant features of price control, taxes, and uncertainty as to transition, all of which brought about a keener appreciation of what life insurance means. He called the present a "time for more aggressive action on our part." Today, he said, the prospect is "proud of the prestige and the freedom that this work has made that way. Can he be indifferent to independence of himself and of his family? This is the time. The prospect's need for money is a solution in your hands."

Suggests Insurers Do 'Selling Job' On Hospital Personnel Like Blue Cross

Many of the difficulties regular insurance companies report their policyholders encounter with hospital admission personnel could be overcome if the business would do a "selling job" on such personnel through instruction courses such as the Blues run for them, Wilbur McLin, administrator of Indianapolis Community hospital, told members of that city's A & H association at their December luncheon meeting.

Mr. McLin declared that he would be glad to see that clerical personnel of his hospital attended any such "courses" or "schools" regular insurers might offer.

"Certainly the clerk may tell your policyholder that he never heard of your company and doesn't know anything about it. It's often the truth. Why don't you use a little of your salesmanship in better informing him, and, particularly, in educating him on your policies and claim forms?" the speaker asked.

•

Hospitals try to be non-partisan about insurers, the administrator reported. "However, since hospitals theoretically own Blue Cross and because we know its claim routines better because of the job it does educating our personnel, it's hard not to be subconsciously partisan."

Mr. McLin stated that insurance has "revolutionized" hospital operation. "Just the other day, I saw an ad for bonds issued by a Toledo hospital in the *Wall St. Journal*. Considering that a deficit used to be thought inevitable in hospital operation, it is amazing to think that today a hospital can be sound enough to offer bonds in a financial newspaper. Insurance has done that. There is even a trend toward self-funding for future expansion," he reported.

Mr. McLin also reported that the number of cases of patients with multiple coverage appears to be growing "I sign all refund checks," he said. "It's a rare day when there aren't several going to patients who hold more than one policy. If you buy right, you can make money out of being hospitalized."

Zurich Names Garrity A&H Sales Superintendent

John Garrity has been appointed superintendent of sales in the individual A&H department of Zurich. He has had 12 years of sales experience in the A&H field and most recently has been A&H regional supervisor of General Accident. He will be in charge of the department's field force and nationwide agency sales.

E. C. Seifert, district manager of Hardware Mutuals at Newark for 27 years, will retire Dec. 31. He will be succeeded by Donald Colby, manager of the company's Appleton, Wis., office.

FIELD

Aetna Appoints Riddle Farm Special In Ohio

Theodore L. Riddle has been appointed special agent for the farm department of Aetna Fire, to replace Norman F. Tempel who will attend the Aetna multiple line training school in Hartford. Mr. Riddle's headquarters will be in Toledo.

Mr. Riddle began his insurance career as an adjuster for Western Adjustment for five years, and more recently he has been with Aetna's Park Ridge, Ill., farm underwriting department.

Fund Transfers Foster From Peoria To Omaha

John Foster, Fireman's Fund farm and hail special agent, has been transferred from Peoria to Omaha, where he will continue his duties under supervision of Forrest Riddell, Omaha manager. Mr. Foster will work with Ross Nicholson, current farm and hail special agent in Nebraska, who will continue there in a supervisory capacity and who will also assume similar duties in Iowa.

Royal-Globe Names Two State Agents In Illinois

Royal-Globe has appointed Carl H. Buerger Jr. state agent at Peoria, and Garrett H. Wychoff state agent at Chicago, succeeding Mr. Buerger.

Mr. Buerger joined the group in 1953, and was named special agent at Peoria after completing a training course for special agents in Chicago in 1954. Mr. Wychoff trained as a special agent in New York in 1952. He formerly was special agent at Joliet.

Springfield F. & M. Names D. S. Jaeger Okla. Manager

Springfield F.&M. has appointed Deane S. Jaeger manager of Oklahoma field operations in addition to his present Kansas territory. Mr. Jaeger will continue to operate out of Wichita. Field operations for northern Oklahoma agents will be conducted by Mr. Jaeger assisted by Special Agent C. D. Hendershott, from the Wichita office.

West Va. Ganders To Meet

The mid-winter meeting of the West Virginia pond will be held Jan. 16, at the Chancellor hotel, Parkersburg. The meeting will begin at 2:30 p.m., followed by a reception and banquet.

Celina Mutual Shifts 3

Celina Mutual has made the following changes: Dean Knerr, special agent at Cleveland, goes to the home office territory; Special Agent Frank Hullinger goes from Fremont, Ohio, to Cleveland, and Robert H. Ball has been assigned as claims adjuster at Toledo.

Employers Names Curran

Employers group has appointed Kenneth E. Curran acting manager of the western New York branch at Buffalo, during the absence, due to illness, of Madison M. Fredrickson.

Mr. Curran has been with the companies since 1950 and has served as special agent for the northern New Jersey department and the Long Island branch.

Ward To Security-Conn.

Denham Ward has joined Security-Connecticut as state agent in central and southern Kentucky, with headquarters at 768 Cheryl Lane in Lexington. His territory will continue to be under the supervision of Resident Secretary John James in Louisville.

Mr. Ward entered insurance in 1947. He previously was a special agent of Old Republic of Pennsylvania in Kentucky.

Reciprocal Managers Will Merge Exchanges, Form New Stock Insurer

Plans for merging all the reciprocal exchanges in Associated Reciprocal Exchanges into one exchange—to be known as American Reciprocal Insurers, and for the formation of a new stock company under the name Commerce & Industry Ins. Co. have been announced by Schuyler Merritt II, chairman and president of Reciprocal Managers Inc. of New York, managers of Associated Reciprocal Exchanges.

Wis. Mutual Companies Name Jacobs President

MILWAUKEE—Robert Jacobs, Citizens Mutual, Janesville, was elected president of Wisconsin Federation of Mutual Insurance Companies at its annual meeting here. He succeeds Robert Barber, West Bend Mutual.

Other officers named are Robert Zelm, City of Plymouth Mutual, vice-president; Theodore Stickle, Furniture Mutual, Milwaukee, secretary-treasurer and Donald W. Hill, Furniture Mutual, assistant secretary-treasurer. New directors are: Donald Varney, Hardware Mutual, Stevens Point; Victor Rude, Sheboygan Falls Mutual, and Gary H. Hamper, Badger Mutual, Milwaukee. Monroe Schwalbach, Germantown Mutual, was nominated a director of National Assn. of Mutual Insurance Companies; Mr. Jacobs, as director of Wisconsin Mutual Insurance Alliance, and Messrs. Kamper and Stickle to represent the Federation mutuals on the management committee of Fire Insurance Rating Bureau.

SKKL Promotes Four

Stewart, Keator, Kessberger & Lederer agency of Chicago has made a number of promotions, effective Jan. 2, 1958.

Jules Julliard, vice-president, becomes executive vice-president; Sanford H. Lederer, assistant president, moves to executive vice-president and treasurer; Harry F. Keator Jr., assistant vice-president, was named vice-president, and Robert E. O'Meara, chief underwriter, becomes assistant vice-president. In that order, these men have been with S.K.K.&L. 34, 21, 23 and 10 years.

Va. Auto Club Opposes UJF

Northern Virginia American Automobile Assn. advisory board is opposing enactment of an unsatisfied judgment fund law in Virginia, recommended by the state advisory legislative council. Virginia Assn. of Insurance Agents also opposes the UJF proposal and wants uninsured motorist cover instead. The automobile association opposes the plan because claims under it would not be settled without long, tiring and expensive court proceedings. This group would prefer compulsory auto.

Los Angeles Agents Elect

Insurance Assn. of Los Angeles, has elected the following officers for 1958: President, Arden L. Day Jr.; vice-president, Douglas H. Freeman; directors—Arthur G. Beggs, Frederic W. Bogey, Stephen R. Bach, Rowland S. Hodge, Thomas B. Kegley, Marc Leahy, Jay A. Lloyd, Claude V. Smith, Earl E. Smythe, immediate past president.

The Taylor agency at Jackson, Miss., has been opened by **Zach Taylor Jr.** Mr. Taylor has been in insurance in Jackson for 10 years and was the first Mississippi citizen to become a CPCU.

Boston Board Offers Suggestion For Aid In Current Crisis

(CONTINUED FROM PAGE 9)

nies, and that their operating expenses 50% lower.

The figures for Allstate for the past five years shows these ratios to be incorrect, Mr. Attridge declared. The Allstate loss ratio for five years is 65.5, which is not 23% lower than the agency companies. The expense ratio is 25, which is not 50% lower than that of the agency companies. Allstate rates are not 40% below bureau companies.

He said he does not object to a policy which will hold agents responsible for underwriting the business. But there should be restored to agents the tools they once had, he said. He urged the restoration of the daily loss reports which used to be distributed among the Boston offices and were used as a guide to underwriting.

At one time, he said, Boston Board not only established the fire rates in that city but also influenced the rates in the metropolitan area. It was Boston Board that introduced the coinsurance clause for the purpose of equitably distributing the cost of insurance. It was so successful it has been copied throughout the country and extended to other forms of insurance as well. Boston Board pioneered fire prevention as a necessary service to fire insurance, and which led to the re-establishment of National Board which now provides loss prevention service to a degree throughout the country.

•

He said a general agency should have enough underwriting authority so that a sound underwriter, after turning down a risk, would not be embarrassed to find the same company writing the risk through a branch office.

The executive committee of the board believes efforts should be made to permit the board to contribute its knowledge and experience in the establishment of fire rates.

Today more than ever, and especially in the big cities, the factors that decide a proper rate are no longer entirely engineering. In an area as important as Boston, the board feels it can provide valuable information on rates, according to the report.

The extensive public relations work of the board is evidence that this type of work is most effective at the local level, the report commented.

U. S. Health Survey Early Data Show Up Need For A&S Cover

NEW YORK—Some excellent documentation of the need for A&S, hospitalization, and medical payments coverages appears in the first results of the new national health survey. The first figures, covering from July 1 to Nov. 9, 1957 show, for example, that upper respiratory infection—which include influenza and pneumonia—confined 82 million Americans to bed during the period and cost the nation 282 million bed-days of disability.

The preliminary results of the survey were revealed by U.S. Surgeon-General Leroy E. Burney of the U.S. Public Health Service at the annual meeting here of Institute of Life Insurance.

The survey also revealed the following for the three months July-September, inclusive, of this year:

1. Fourteen million persons suffered accidents which either disabled them or required medical care or both. These do not include immediately fatal accidents. Motor vehicles accounted for 8% of these non-fatal mishaps.
2. Seventeen percent of the reported accidents occurred on the job. Forty-five percent occurred in the home, the remainder in public and other places.
3. Forty-one percent of the population, as of Aug. 1, 1957, reported one or more chronic health conditions. Ten percent stated that these conditions limited their activities in varying degrees.

Dr. Burney said it is extremely difficult to get the general run of population stirred up about such problems as community air pollution, water pollution, radiation exposure and the rapid incorporation of rural areas and small communities into the new suburbs of metropolitan areas.

Dunavant To Join Allstate

Thomas Dunavant, casualty assistant in the Michigan department, early in January will join Allstate at the home office, and will function in a liason capacity between the companies and state insurance departments.

The **J. S. Frelinghuysen** brokerage firm of New York has appointed Stuart C. Hand as manager of the engineering department. He formerly was with American Cyanamid, Ebasco Services and Associated Reciprocal Exchanges.

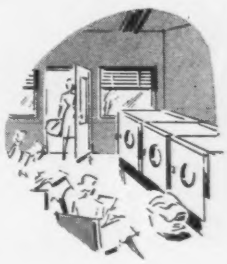
BRAND NEW!

Anchor's Automatic Laundry Owners Policy

A "Packaged" Coverage that Opens up a World of Prospects!

At last... simplified insurance protection for automatic laundry owners! This "all-in-one" policy has broad Fire coverage, Liability, Customer Goods, Burglary and Robbery, Plate Glass and Neon Sign protection. Written on 3 or 5 year basis with convenient installment payments—credit allowed for existing insurance.

Here is a tailor-made source of ready income for alert producers. So line up the prospects in your town and start selling this unique Anchor coverage today!



Automatic
PROSPECTS
SALES
PROFITS

Multiple Line Facilities

See your Anchor Man for Helpful Assistance

ANCHOR
CASUALTY COMPANY
SAINT PAUL 14, MINNESOTA

Something better for the business office

ANOTHER OF the new package forms which simplifies the handling of insurance for the business risk is the OFFICE CONTENTS Special Form. Here is a broadened contract which can be written to cover "all risks" of direct physical loss to office contents, including a tenant's interest in improvements and betterments.

For the eligible risk, the Special Form provides all-risk coverage at less than the cost of equivalent protection under separate named-peril policies. *It's an economical buy; affords much-needed coverage against unforseen losses.*

With both the Office Contents and the Commercial Property forms, Grain Dealers' agents have the new all-risk packages which keep them out front . . . enable them to do a better job for their business clients.

Grain Dealers Mutual
INSURANCE COMPANY
INDIANAPOLIS 7, INDIANA
Western Department: Omaha 2, Nebraska

FIRE • CASUALTY • AUTOMOBILE • INLAND MARINE

EMBLEMS OF INTEGRITY AND SERVICE

UTILITIES INSURANCE COMPANY 1911

PREFERRED FIRE INSURANCE COMPANY 1917

UTILITIES INSURANCE COMPANY
PREFERRED FIRE INSURANCE COMPANY
315 Pine Street St. Louis 2, Mo.

AUTOMOBILE • WORKMEN'S COMPENSATION • LIABILITY

Photos Of NAIC Meeting In New York

Photographs by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters, of some of the leading personalities at the winter meeting in New York early this month of National Assn. of Insurance Commissioners. Mr. Fuller has become almost the official photographer of the NAIC meetings, having been in attendance at all but one of the two conventions each year for the past 35 years or so. He has taken thousands of pictures of the commissioners and industry pelple.

Commissioner Charles R. Howell of New Jersey at the NAIC meeting with former commissioner Maynard Garrison of California, now practicing law at San Francisco.

Top: Arthur Cronin of the Boston agency of Cronin, Gartland & Co.; Commissioner George Bisson of Rhode Island, and John A. Diemand, president of North America.

Bottom: John H. Binning, the Nebraska commissioner, with Ross P. Duncan, insurance commissioner of Alaska.

Two veterans of insurance gatherings, Newell R. Johnson, general manager of American Mutual Insurance Alliance, and Ray Murphy, general counsel of Assn. of Casualty & Surety Companies.

Joseph F. Murphy of America Fore at the NAIC mid-winter meeting in New York with J. S. Galloway of Fidelity & Deposit, Thomas Watters of Watters & Donovan law firm of New York, and William Leslie, general manager of National Bureau of Casualty Underwriters.

Three of the most prominent members of National Assn. of Insurance Commissioners—Donald Knowlton of New Hampshire, F. Britton McConnell of California, and William A. Sullivan of Washington.

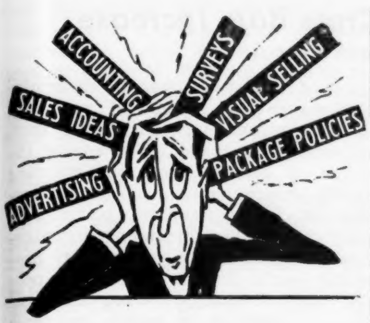
K. W. Stewart of Mid-Union Indemnity of Elgin, Ill., at the NAIC meeting in New York with Commissioner Joe P. Hunt of Oklahoma and Walter W. Steffen of Lincoln National Life.

Top—John R. Maloney, former California commissioner pictured with Donald F. Dickey, former Oklahoma commissioner and now with Admiral Fire of Houston. Mr. Maloney is practicing law at San Francisco.

Bottom—Richard L. Starr of the Florida department with Guy Fergason of Fergason Personnel, Chicago, who is also noted for his candid photos of insurance conventions.

Superintendent C. Lawrence Leggett of Missouri with the chairman of the NAIC executive committe, Paul Hammel of Nevada.

Bottom: David Irons of the Texas board of insurance commissioners with Pablo J. Lopez Castro of the Puerto Rico department.



MILL OWNERS FIELDMEN

Give You Sales-Wise Personal Assistance

Your Mill Owners fieldman is experienced and qualified to assist you. Ask him about our Vis-U-Lizer, streamlined accounting procedures, advertising aids, specific problems. His counsel helps build your premium income.

MILL OWNERS Mutual INSURANCE CO.

The Doorway to Protection

Fire & Allied Lines; Inland Marine; Automobile, Casualty

B. & R. EXCESS CORPORATION

EXCESS BROKERS

- Surplus Line
- Excess Limits
- Ocean Marine
- Errors and Omissions
- Reinsurance (Facultative & Treaties)

26 Court St., Brooklyn, N. Y.

MAin 4—4976-7-8

Personal Attention for Your Problems

PRITCHARD AND BAIRD

99 John St.

New York 38, N. Y.

REINSURANCE

CONSULTANTS

AND

INTERMEDIARIES

"We Are What We Do"

Phone WOrth 4-1981

Hartford Steam Boiler Names Syracuse Manager

Hartford Steam Boiler has appointed James G. Miller manager at Syracuse, succeeding Walter L. Molina, who has been transferred to Hartford as branch manager.

Mr. Miller has been with the company since 1940. He previously has been office supervisor at Boston and New York and for a time was special agent in New York. Mr. Molina joined the company in 1929 and after some years as a special agent in St. Louis, Boston and Cleveland, was named manager at San Francisco in 1944. He transfered to Syracuse as manager in 1949.

Miss. Commission Acts

The Mississippi insurance commission has granted Allstate a 15% deviation on fire and allied lines, and has approved a 15% deviation on automobile liability rates for Safeco.

The commission disapproved a filing by Dixie Auto for use of the same rates as those of State Farm Mutual. Dixie Auto operates on a select risk plan and limits policyholders to non-drinkers and other "preferred groups."

The commission also approved a filing by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau increasing substantially the BI and PDL rates for public livery and taxicabs.

The commission has deferred a filing by Mississippi State Rating Bureau for a mandatory extended coverage deductible on wind and hail. The 10 year record ended with 1956 shows a loss ratio on inland dwellings of 59.6, on seacoast dwellings of 65.9, and on inland farm property of 78.7. The deductible would be accompanied by a reduction from 22 to 17 cents on inland dwelling rates, from 36 to 29 cents on seacoast dwellings and a five cent reduction on farm property.

The commission approved a 20% reduction in rates on large area housing developments for Commercial Standard.

The commission disapproved a revision proposed by Mutual Insurance Rating Bureau of term rules for comprehensive personal liability and farmer's CPL, where the policy is endorsed to a fire policy. The proposal was to make the fire term rule apply to CPL where the two are in one package.

Dallas Group Elects Officers

Surety Underwriters Assn. of Dallas has elected the following officers for 1958: T. M. Delanoy, Fireman's Fund group, president; Melvin M. Thweatt, Hartford Accident, vice-president; Herbert Hardison, Fidelity & Deposit, secretary; Dale S. Frederick, Massachusetts Bonding, treasurer.

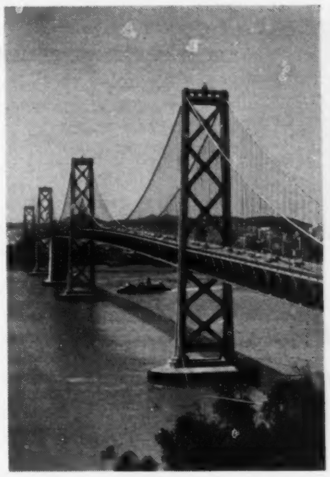
R. S. Seiler To Allstate H.O.

Robert S. Seiler has joined Allstate's home office, Skokie, Ill. as a senior attorney. He formerly was assistant counsel for a life insurance company in Chicago.

Hartford Safety Engineer Retires

John C. Farley, for 33 years field safety engineer and resident engineer for Hartford Accident, has retired under the company's retirement plan. Mr. Farley has worked out of Pacific department headquarters in San Francisco.

Associated Reciprocal Exchanges of New York has elected Elmer N. Dickinson Jr., John C. Morrison, and Robert T. Norton vice-presidents; Frederic A. Naylor assistant vice-president, and Miss Margaret Dore assistant secretary. Mr. Dickinson heads the reinsurance department, Mr. Norton the brokerage department, and Mr. Morrison is general adjuster. Mr. Naylor recently was appointed head of eastern sales and service.




From the Golden Gate to the Statue of Liberty

The Camden U.S.A.

Throughout this land of ours wherever Agents are concerned about keeping their present and potential policy holders adequately covered in these times of rising costs and multiplying risks, they are turning to The Camden. In this old line stock company with more than a century's experience, they find a business partner who is not only up-to-the-minute in meeting changing conditions, but who produces timely sales material.

The Camden FIRE INSURANCE ASSOCIATION
CAMDEN 1, NEW JERSEY

Send for samples of the latest business-producing folders and for your copy of The Camden Sketch Book of sales ideas!

Celina-ize

YOUR AGENCY

National Mutual and Celina Mutual

Cut this Coupon and Your Operating Expenses and Afford Your Policyholders the Best in Auto Coverage and Service at the Lowest Possible Cost.

YOU SELL, SERVICE AND OWN IT—WE DO THE PAPERWORK

THE NATIONAL MUTUAL INSURANCE COMPANY
315 South Main St. Celina, Ohio
Please give me complete information about Your AUTO ECONOMY PLAN
Agency ....
Address ....
City .... State ....
OPERATING IN IND., KY., MICH., OHIO, PENNA. AND W. VA.

Holz Stands Pat On Blue Cross Rate Increase

(CONTINUED FROM PAGE 1)

cision was sound, and if Blue Cross does not approve it can go to the courts for a review. He strongly questioned the propriety of bringing up the matter at the hearing.

He cited a portion of his opinion which said that some increase in rates must be granted. He pointed out that he had not opposed broadened benefits, but had wondered whether a wider and more costly contract should be offered in these times of rising costs, thereby forcing unwanted benefits on all subscribers. The opinion noted that riders still could be used for additional benefits.

"I am not opposed to a 120-day contract if it is not foisted on people who do not want it," Mr. Holz asserted. "I do oppose a mandatory 120-day contract. I cannot ignore the many sincere complaints that all insurance premiums are too high."

•

Blue Cross should appeal the decision if it feels the ruling was not right, Mr. Holz said. He wanted to know why the Metcalf committee was so interested in the Rochester case.

Sen. Metcalf replied that the committee is interested in gaps in coverage and wants to know about the superintendent's decision because it affects the scope of protection.

Mr. Holz, under further questioning, expressed his resentment and repeated his assertion that it is up to the courts to review the decision if Blue Cross is not happy.

"I did not deny Rochester anything—I just refused to approve a contract that compels anyone to buy something he may not need or want," Mr. Holz added. He then angrily refused to answer any more questions about the Rochester case.

More fireworks were set off by the superintendent's report on the study of A&S coverages undertaken last January by the department in cooperation with representatives of other state agencies, the Metcalf committee, the insurance industry, Blue Cross plans and employer associations. Purpose of the study was to determine the nature and extent of voluntary health insurance written in New York, to explore methods of enlarging the range of benefits and of extending health insurance to a larger proportion of the population, particularly older people. A concurrent investigation was made into the cost of providing health insurance to older people, and all insurers were asked to provide statistics on health insurance costs. Questionnaires were mailed in May to 91 companies writing individual and 76 writing group.

•

Mr. Holz reported that insurance companies, excluding Blue Cross plans, had 786,128 cancellable policies in force on Dec. 31, 1956. Of this number, 4,122 were cancelled or not renewed. Physical condition was responsible for 1,652 terminations, while moral hazard accounted for 57; fraud in application for 211; false claim for 758; frequency of claims 285; pre-existing conditions 184; overinsurance 223; expiration of age limit 221, and all other 531. The department will make specific recommendations for extending coverage to a larger segment of the population upon completion of these studies. This will be done before the legislative session ends in 1958, Mr. Holz said.

•

Sen. Metcalf accused the superintendent of neglecting to say that there were 78,000 claims made during the period of the study, from Oct. 1, 1956, to March 31 of this year. This means that 4,122 policies out of 78,000 claims were cancelled or non-renewed during this period. The terminations should be compared to the 78,000 and not the 786,128 cancellable policies in force on Dec. 31, 1956.

The senator said that he was astonished to hear the superintendent say that the cancellation and non-renewal figures do not present any problem to New York state residents.

"I feel very strongly that either Mr. Holz does not understand his own

C&R

American Equitable Assurance Company
of New York
Organized 1918

Globe & Republic Insurance Company of America
Established 1862

Merchants and Manufacturers Insurance Company
of New York
Organized 1849

New York Fire Insurance Company
Incorporated 1832

CORROON & REYNOLDS GROUP
92 William Street, New York 38, N. Y.

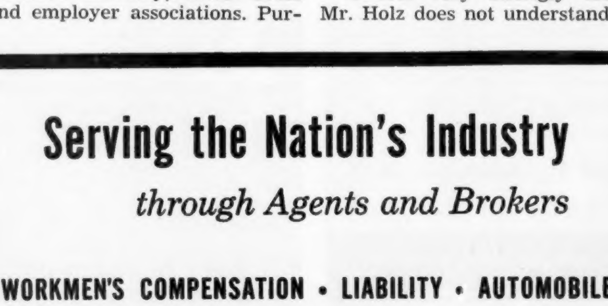
UNITED STATES
CASUALTY COMPANY

Fire
Casualty
Surety
Marine

HOME OFFICE
60 John Street New York

Serving the Nation's Industry
through Agents and Brokers

WORKMEN'S COMPENSATION • LIABILITY • AUTOMOBILE
GROUP ACCIDENT & SICKNESS



ARGONAUT INSURANCE
HOME OFFICE: MENLO PARK, CALIFORNIA

statistics or that he is misleading the committee by not placing all the facts available to him at our disposal," Sen. Metcalf declared. He said there is no excuse for glossing over the problem or attempting to ignore it. He called upon the superintendent to take positive action to provide accurate information to the committee.

"I resent the implication that we tried to deceive the committee," Mr. Holz replied with a great deal of heat. "You are using the department's figures. My statement was absolutely accurate and I do not retract one word of it.

"If you want to compare these figures this way, you can, but I stand by my statements," he snapped.

The committee then turned to a series of amendments generally endorsed by Blue Cross and Blue Shield plans in the state. The most significant change would permit Blue Cross and Blue Shield plans to underwrite jointly a major medical plan. The law presently permits joint issuance of contracts but prohibits pooling of underwriting and liability. This proposal came from the Buffalo Blue Cross and Blue Shield which want to write a major medical contract on a large labor union.

•

Other proposals would permit a hospital service corporation to provide home nursing and ambulance service; reduce from 4% to 2% the accumulation rate of the special contingent surplus fund held by hospital service, medical and dental expense plans; lower the maximum of this fund from 25% of net premiums to a level considered proper by the department but no less than 15%, and raise the amount which the plans may invest in real estate from 5% to 7.5% of net premiums.

Addressing himself to the major medical proposal, John P. Hanna, general counsel of Health Insurance Assn. of America, said this extension of Blue Cross and Blue Shield authority should not be permitted until they are treated like the domestic mutual companies when it comes to taxation and regulation. If this proposed legislation is adopted, Blue Cross and Blue Shield would be virtually indistinguishable from the insurance companies. HIAA does not object to this authority for the Blue Cross and Blue Shield, provided that they become full-fledged insurance carriers.

The proposals to reduce the mandatory rate of accumulation in the special contingency surplus and to reduce the required size of the fund showed that the plans have grown to the point where, on their own motion, it is now suggested that the legislature dispense with some of the safeguards required in their earlier days, Mr. Hanna pointed out. HIAA does not oppose the changes and expresses no opinion as to their propriety. The plans are welcome to contribute to the public welfare in their way, but HIAA feels that if they are permitted to do so, they should be made subject to the same ground rules as all other carriers so that the public can enjoy the benefits of a healthy competition, Mr. Hanna concluded.

Eldon Wallingford, assistant generl counsel of Life Insurance Assn. of America, said his organization takes the same position as Mr. Hanna.

Turning to the 2% A&S premium tax, Morton Miller, 2nd vice-president and associate actuary of Equitable Society, said HIAA, LIA and American Life Convention oppose premium taxes on any form of insurance, particularly A&S. Taxation of the insurance companies and not the Blue Cross and Blue Shield plans is discriminatory. The tax encourages self-insurance, which operates without department regulation and insurance company guarantees. It adds to the cost of providing the insurance service.

Since dividends and returned premiums are deducted from the gross premiums before the 2% tax is applied, it might be a good idea to allow the companies to deduct their claim payments since these also benefit the policyholders, Mr. Miller said. For example, companies might be allowed to deduct for tax purposes 10% of their claim payments for the first year, 20% the second year and so on, until 100% of their claims are deducted before the tax is applied. Dividends and returned premiums also would be deducted. The A&S business can be expected to continue to grow over the 10-year period, so that no tax loss to the state may be expected.

Mr. Miller also endorsed the idea to amend the state income tax law to allow a tax exemption up to $150 on health insurance premiums paid by individuals. This exemption already applies to life premiums, and employer contributions to group A&S are a business expense. The $150 deduction would encourage A&S purchases and, if necessary, could be limited to individual policyholders, he said.

Sen. Metcalf said the committee will hold another public hearing at Albany in late January of early February.

—

Peretti To Helm Of Pittsburgh Surety Assn.

Joseph Peretti, Maryland Casualty, has been elected president of Pittsburgh Surety Assn. Other officers are David Meehan, U.S.F.&G., vice-president, John Gibson, American, treasurer, and Edward Vogel, Fidelity & Casualty, secretary.

—

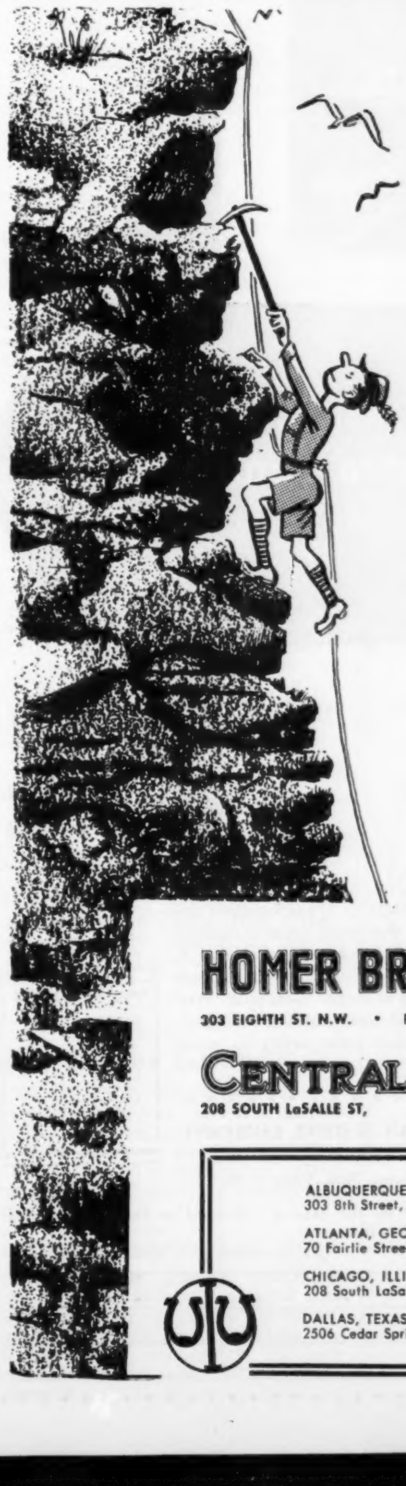
Allied Compensation has moved to larger quarters in San Francisco at 310 Sansome street, in the middle of the city's insurance district. Allied writes workmen's compensation only on a "level dividend" participating plan.

University Insurance Teachers Set Two-Day Anniversary Program

American Assn. of University Teachers of Insurance will mark its 25th anniversary at the convention Dec. 27-28 at Bellevue Stratford hotel in Philadelphia.

The program includes a panel session on the philosophy, development, and future of multiple line underwriting, moderated by Harry J. Loman, Dean of American Institute; a discussion of the case method of instruction in insurance by Davis R. Ratcliffe of Insurance Society of New York school of insurance, and a critique of the agency system to be moderated by John S. Bickley of Ohio State university.

Joseph A. Navarre, Michigan commissioner and president of National Assn. of Insurance Commissioners, will speak on "Perfecting the System of State Regulation of the Business of Insurance" at the concluding luncheon.



UNUSUAL OR HAZARDOUS

No, we don't insure Swiss mountain climbers–but we do have the finest coverage you can get on these items, to name just a few:

LONG HAUL TRUCKS • BUSSES
PRODUCTS • GENERAL LIABILITY
BUTANE • TAXICABS
ANHYDROUS AMMONIA

Our automatic treaties combine, on a quota share basis, American Stock Companies and Lloyds, London providing maximum strength and security. Contact any of our ten offices for quick information.

HOMER BRAY SERVICE, INC.
303 EIGHTH ST. N.W. • P.O. BOX 1708 • PHONE 3-4561 • ALBUQUERQUE, NEW MEXICO

CENTRAL CASUALTY COMPANY
208 SOUTH LaSALLE ST, • PHONE STATE 2-3200 • CHICAGO 3, ILLINOIS

CONTACT THE OFFICE NEAREST YOU

ALBUQUERQUE, NEW MEXICO
303 8th Street, N.W.

ATLANTA, GEORGIA
70 Fairlie Street, N.W.

CHICAGO, ILLINOIS
208 South LaSalle Street

DALLAS, TEXAS
2506 Cedar Springs Ave.

DENVER, COLORADO
904 Gas & Electric Bldg.

LOS ANGELES, CALIFORNIA
2412 West 7th Street

LOUISVILLE, KENTUCKY
444 South Third Street

OKLAHOMA CITY, OKLAHOMA
534 Commerce Exchange Bldg.

ST. LOUIS, MISSOURI
111 North 4th Street

SALT LAKE CITY, UTAH
1315 Continental Bank Bldg.

N. Y. Auto Market Tightens As Insurers Feel Pinch

(CONTINUED FROM PAGE 1)

more, between 35 and 40% of the individual motor car business is on the casualty installment plan of three payments.

American Surety is not changing its basic auto commission scale but has adopted a reduced schedule for those agencies whose auto business produces poor underwriting results. This is regarded as an effort to accomplish what other companies seek to do periodically or spasmodically by the application of underwriting restrictions.

The Hall & Henshaw general agency has reduced auto commissions statewide to 15%.

Many of the companies have taken at least one step, that of putting up the red flag against acceptance of auto business being dumped by other insurers. Royal-Globe has notified its brokers in the metropolitan area to this effect.

Allstate is reducing its auto commitments, particularly in the metropolitan area. This is said by an Allstate spokesman to be 4,000 risks, but is reported by other sources to be more than that. Insurers report they began to get applications from motorists previously insured in Allstate in a noticeable way about three or four months ago. Companies other than Allstate are cutting back. One mutual insurer which writes a good volume of auto business in New York, especially New York City, lost 20% of its surplus in the first six months and had to jettison a chunk of business. After New York turned down the filing for an increase, this company had to cut back still further on its auto business so it could protect the other lines in which it specializes.

•

Mutuals apparently are going to follow the route of reducing or cutting out altogether their dividends before getting into commission modification. The Kemper group has eliminated dividends on private passenger business in the five boroughs, but not on commercial car business. Atlantic Mutual has cut the auto business dividend from 12½ to 10%. New York Mutual Casualty is eliminating the auto business dividend entirely.

The assessment of just how bad the market situation is differs from observer to observer. Some of the very large automobile writers are still following an open door policy, even if they are considerably more cautious about the character of the new business they take on than they used to be. The one place where there is hardly any competition for business is metropolitan New York, home of the highest automobile premiums in the world. One executive expressed it this way, that his company is screening agency appointments carefully these days to see if the new opportunity is created by the need of an auto market. If this is not the primary reason, the company is considering the appointment favorably.

•

One agent that has had to cut loose more than $100,000 of auto business, describes the market as the worst it has ever been. He notes the special difficulties in New York City but reports that there are cities upstate where companies have had to cut back because of dwindling surplus and the disapproval of rate increases in the state.

Another official notes the considerable population of brokers in New York City, many of them with a meager volume of business. He is appointing no brokers he can't find in the daytime.

The number of assigned risks going into the AR plan in New York is expected to be for 1957 about 25% larger than in 1956. Some of this increase is due to compulsory, but there has been a substantial bulge in recent weeks attributable to the tightening of the market. This increase is expected to step

Every minute of the day and night, raw materials and manufactured products are in transit. Whether on truck, train or plane, these goods should be covered by transportation insurance . . . and you're the man to sell it!

The market is as broad as business itself. Right in your own backyard you'll find manufacturers, processors, jobbers, distributors, wholesalers and retailers who are all good prospects for transportation coverage. And you can sell them with American Surety's transportation policy!

This policy avoids the red tape that usually snarls up collection of transportation losses from common carriers—gives your client the three things he wants . . . *immediate payment, lower cost* and *more complete protection!* Best of all, our transportation insurance is flexible . . . meets the wide variety of business needs. This line does not lend itself to bargain basement selling —it's right up your alley from a sales standpoint!

The many facets of transportation insurance are discussed in the current issue of MAILROAD TO PROFITS, which includes valuable hints on how to sell this coverage. Get your free copy now, and start making transportation insurance your ticket to more commissions.

AMERICAN SURETY COMPANY
Agency & Production Department
100 Broadway, New York 5, N. Y.

Please send me the issue of "Mailroad to PROFITS" featuring Transportation Insurance.

Name ______
Agency ______
Street ______
City ______ *Zone* ______ *State* ______

AMERICAN SURETY COMPANY
FIDELITY • SURETY • CASUALTY • FIRE • INLAND MARINE
HOMEOWNERS • ACCOUNTANTS LIABILITY • AVIATION
100 Broadway, New York 5, N. Y.

OTIS CLARK & CO.
Reinsurance
FACULTATIVE
•
TREATY
•
EXCESS
•
206 SANSOME ST.
SAN FRANCISCO 4
PHONE EXBROOK 2-8168

YOUR CLIENT
relies on YOU for
protection and counsel

• Make certain your client's insurance is
• based on a factual, provable appraisal by an experienced, reliable firm.

THE LLOYD-THOMAS CO.
RECOGNIZED APPRAISAL AUTHORITIES
4411 Ravenswood Avenue, Chicago 40, Ill.
First for Factual appraisals — since 1910 —
OFFICES IN PRINCIPAL CITIES

up as current cutting back by insurers in auto premiums and other restrictions on underwriting of the line make themselves felt.

Insurance men believe the assigned risk plan should be used for the purpose it was created, substandard risks, and not a placement pool. But in New York there is no penalty for clean risks placed in the plan.

What the business is apprehensive about is that there is afoot a definite plan by Gov. Harriman to get the state fund, which now writes only workmen's compensation and statutory disability, empowered by the legislature to write compulsory auto. He is already committed, of course, to an unsatisfied judgement fund.

There are efforts in the making to head off both the extension of the present state fund to auto liability and the creation of a UJF, the latter, it is said, by trying to get uninsured motorist cover made a part of the auto liability policy.

No development short of three or four months seems likely that would ease the market situation. By then, if all goes well, the companies may have a rate increase. In the meantime, all signs point to a worsening of the market, especially in New York City, where brokers are not yet reported weeping over being forced out of the business, as a few did back in the early 1950s, but where they may yet come to it.

N. Y. Thruway Auto Aid Plan Ruled Insurance

Attorney General Lefkowitz of New York again has ruled that Accimatic Inc., of Troy, N.Y., is in the insurance business and must be licensed by the insurance department.

Accimatic operates a plan to guarantee motorists using the New York thruway against breakdown through purchase of 10-cent tickets which provide that the company will pay up to $25 in costs if the purchaser has a breakdown or runs out of gas on the thruway within 24 hours.

The New York insurance department ordered Accimatic to stop the sale of the tickets last September, when the attorney general first ruled the company was in the insurance business. The company redrafted its plan, adding provisions for the inspection of fan belts, tires, batteries, radiators, brakes and lights, and limiting the sale of tickets to service stations. When first put into operation ticket sales were made at gas stations, motels, hotels, and restaurants along the thruway.

Casualty & Surety Assn. Of Harrisburg Elects

Casualty & Surety Assn. of Harrisburg, Pa., elected Darrell Miller of Maryland Casualty president at the annual meeting in Camp Hill. Other officers named are Thomas B. Hamm Jr., Aetna Fire, vice-president; Dalton Curtis, Employers Liability, treasurer, and Frank Crowley, Aetna Casualty, secretary.

Claims Service Expands

SPRINGFIELD, MO.—Taylor Claims Service of Joplin has opened a branch office in the Woodruff building here, with H. A. Duenow as manager. The new office, the first expansion of the organization, will serve 19 counties in central Missouri.

Cleveland Agency Expands Office

Wilson & Co., general insurance agency in Cleveland, will expand into an addition to their present building. Construction is scheduled to start immediately with occupancy in late spring 1958. William E. Wilson heads the agency.

Nation-Wide Multiple Line Plus

- REINSURANCES
- HIGH RATED AND/OR SURPLUS LINE FIRE
- REPLACEMENT COST (ANY SITE)
- BUSINESS INTERRUPTION
- BURGLARY
  Interior, Exterior, Robbery
- OVERAGE ACCIDENT
- ERRORS AND OMISSIONS
- HIGH LIMIT EXCESS
  Public Liability
  Property Damage, Products
- HULL, P AND I, EXCESS CARGO
- PILOT, EXECUTIVE TRAVEL ACCIDENT

ALL UNUSUAL RISKS
141 W. Jackson Blvd., Chicago 4, Ill.
Cable Enghur—Chicago

Service Guide

O'TOOLE ASSOCIATES
Management Consultants
To Insurance Companies
Established 1945
220-02 Hempstead Avenue
Queens Village 29, N. Y.

The LAWRENCE WILSON COMPANY
Managing General Agents
"Unexcelled Insurance Facilities"
SERVICE TO LOCAL AGENTS AND BROKERS EXCLUSIVELY
First National Bank Building Tulsa 3, Okla.

TRANS-CANADA ASSURANCE AGENCIES, INC.
LLOYD'S CORRESPONDENTS
SPECIAL RISKS—SURPLUS LINES
REINSURANCE
1231 Ste. Catherine St., West
Montreal, Canada

Ralph B. Leonard & Company, Inc.
25 Broad Street New York 4, N. Y.
Telephone DIgby 4-7485
"Brokers-Dealers in Insurance Stock"
Life — Fire — Casualty

BOWLES, ANDREWS & TOWNE, Inc.
ACTUARIES
Insurance Company Management Consultants
LIFE—FIRE—CASUALTY
RICHMOND ATLANTA NEW YORK PORTLAND

CONSULTANTS
IN MARKETING AND MANAGEMENT FOR THE INSURANCE BUSINESS
FRANK LANG & ASSOCIATES
ONE NORTH LASALLE ST. CHICAGO 2, ILLINOIS
521 FIFTH AVENUE NEW YORK 17, N.Y.

how high is UP?

Your business may be "up" so far as dollar-volume is concerned—reflecting the world's rising price-indices—and yet it may be "down" in number of policies in force, number of insureds on your books.

The Dubuque F & M man, who has been making a special study of agents' most successful "balance of growth" (increased coverage *vs.* new policyholders) under today's conditions, will gladly visit you and discuss his findings. You may find it very profitable to hear his report. Won't you write us—and invite his call?

MULTIPLE LINE FACILITIES
DUBUQUE FIRE & MARINE
Insurance Company
Dubuque, Iowa

Must Cut Expenses, Gallagher Tells Agents

(CONTINUED FROM PAGE 9)

there are now many "package" policies, and that already it has been found that water damage is practically uninsurable at the present stage of writing. "And then we add to the dwelling class provision for full cost replacement when the cost is less than $1,000 and less than 5% of the amount of insurance. We therefore find ourselves like Alladin offering new for old and finding many takers.

•

"In the commercial property form we have, in some locations at least, demonstrated either that our rates for individual perils are absurd or that we are securing an entirely inadequate premium for the contract. It is not unusual to find that the total premium for this 'all-risk' contract is less than an open stock burglary premium alone." While the package policies have a very definite and important place in the business and indicate a trend that will unquestionably prevail, it was unfortunate that the "vagaries of chance resulted in their introduction at a most adverse time."

Mr. Gallagher cited a few figures to show that "agency-stock companies are losing ground." Agency-stock companies who wrote 87% of all fire and allied lines, including automobile physical damage, in 1944 are now writing less than 70% of the total. "If nothing intervenes, the future is relatively easy to predict. In short, if the mutuals and the direct writers and our agency-stock companies continue the same ratio of increase, we will be writing through our agency plan less than 50% of the fire and allied line premiums seven years from now. The casualty picture is not any brighter."

He reiterated that many have no idea that anything is wrong and that agents with some increase in their own premiums because of inflation and naural growth and perhaps because they are working harder are unaware of the plight of the business. Since remedial steps call for a great deal of cooperation, understanding and some sacrifices on the part of the agent, as well as the company, this is not good. "Regardless of how we got into the situation, we must all work together if we are to have anything very comfortable to look forward to," he said.

•

"To survive we must reduce expenses. Underwriting loss is not the result of poor loss experience alone. Fundamentally, an underwriting loss will always occur when the sum of the losses and expenses exceeds 100% of the premium. Is it any wonder we have not been forced to find before this some way to reduce our cost? It is surprising because ours is the only major industry in the country which has not reduced its cost of distribution with an increase in volume.

"The mark-up, which term may without error apply to our commission, has actually *increased* from 24.4% in 1951 to 25.7% in 1955. During that same period general administration expense in the companies has *decreased* 25%. Be it commission or controllable company expense, if you think we can increase any phase of our expense and at the same time improve our position in the active competitive market, I'm afraid you are whistling in the dark."

Mr. Gallagher said there is a feeling that the "mark-up" may be too high and that doubts in the agency ranks have been expressed in Nebraska, Pennsylvania and in Rhode Island. "Do you think that the agent's income should increase as the loss ratio in his territory becomes so adverse that rate increases are established?" he queried.

In this light, he remarked that a spokesman for a large agents' association recently said that if the production cost allowable in the rate make-up for automobile insurance were reduced five points it would mean the end of the American agency system and queried as to whether his audience thought this were so. Other thought-provoking questions included: "Why in the graded scale of commissions, is a higher rate paid on dwelling, where insurance must, in most instances, be purchased to protect the mortgage, than for a complicated industrial risk requiring all the skill and ingenuity the agent possesses? Why an agent who writes business in a locality where experience has been good must write twice as much business as an agent who lives in an area where losses have been severe and rates higher to make the same income? Is the countersigning fee earned or just a legal way of getting something for nothing?"

•

"We shall all have to make changes," Mr. Gallagher said. "If continuous policies are the answer then, whether or not we like them, they will probably be used. If more economical and streamlined accounting and billing systems will reduce cost, we will probably find ourselves with them. It seems obvious that we should eliminate flat cancellations and free insurance. Some things will get worse before they get better. Some companies in order to maintain their very existence will be obliged to curtail their writings. Some agents—particularly in the metropolitan area—will experience difficulty in placing certain lines.

"This talk has been critical of the agent, but believe me, like Hamlet, 'I must be cruel only to be kind.' The agent is the most valuable asset the agency-stock company has, but if we fail to see the handwriting on the wall, we will price our way of doing business out of the market. Volume will bring more dollars even with reduced mark-up.

"All other business has come to recognize that fact. You cannot live on percentages alone, however high they may be, if there are no premium incomes to apply them to. I have a feeling that some of these changes which we need for the good of our business will eventually be recommended and sponsored by thinking agents. They will come to see that they are inevitable—and may be more courageous than the companies taking steps to put them into effect."

—

Bureau of Contract Information Elects Keppler, Hundley

Bureau of Contract Information, at its annual meeting in New York, elected Carl A. Keppler, vice-president of National Surety, president, and Edwin G. Hundley, vice-president of U.S.F.&G., vice-president. Donald A. Gillum, assistant secretary of New Amsterdam Casualty, was renamed secretary-treasurer of the bureau.

Elected directors were Norman A. Burgoon Jr. of Fidelity & Deposit, Edward J. Cavan, Massachusetts Bonding; Leslie C. Cox, Great American Indemnity; Fred H. Doenges, American; George M. Douglass, Travelers Indemnity; Thomas M. Gregory, American Surety; Norman C. Keyes, Maryland Casualty; Robert T. Schaller, Continental Casualty; T. L. Sedwick, Standard Accident; J. A. Swearingen, Aetna Casualty; William H. Wallace, Hartford Accident, and C. S. Willmott, Glens Falls.

•

In his annual report, William F. Frakes, general manager of the bureau, commented that while difficult to predict, the over-all construction dollar volume in 1958 should at least equal and perhaps exceed that of 1957. He said that in the aggregate, potential construction demand is being continually pushed ahead by the pressures of economic growth. There will be strong demands for hospitals, churches, schools and college buildings. High interest costs may defer funds for some projects such as schools and public buildings, he said, however, there are indications increased costs will off-set reduced construction contracts.

Contractors' prices have not kept pace with the cost index, he said. The costs of labor, equipment and money have increased while materials appear to have levelled off. Competition, good management and mechanization have held contractors' prices to a slower rise, and the effects of tight money will be a controlling factor in 1958 although that situation has been eased somewhat, he said.

•

Highway construction is expected to increase considerably as the building of the federal financed interstate system of roads gains momentum, he continued, but the building program is not yet in high gear. Beyond the huge volume of anticipated road construction are the supplementary demands for facilities which the highway program will generate. He said there will be considerable relocation of business enterprises.

Interest in the lease-purchase program has been centered on the removal of the 4% interest rate limitation plus a 90-day waiting period after receiving firm financial commitments, he said. As for the Capehart housing program, this is likely to be slowed down because in many quarters contractors are not too anxious for these contracts if they can't get money from the federal national mortgage association.

WANT ADS

Rates—$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

ATTENTION EXPERIENCED SURETY MEN
Minneapolis

Expansion is the keynote of our operation. Because of this program an unusual opportunity exists for an experienced surety man to further develop our business in the Minneapolis area. Excellent employee benefits, plus opportunity for advancement. Salary commensurate with experience. Forward complete confidential replies to Box Y-14, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITERS WANTED

We have openings for experienced:

Fire Underwriters
Casualty Underwriters
Multiple Line Underwriters

The Great American Ins. Group
309 W. Jackson Blvd., Room 1007
Chicago 6, Ill.

INSURANCE EXECUTIVE

Advisory service organization, with select Industrial policyholders, requires executive with experience in management all coverages including surplus lines. Casualty predominates. Major Company experience desirable. Location Southeastern United States. Excellent future. Good starting salary. Fringe benefits. Profit participation. Replies confidential. Write Box Y-19, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

UNDERWRITER — MANAGER

FLORIDA—Old line Managing General Agent needs experienced Inland Marine Department Underwriter-Manager. Position requires minimum seven years experience. Age 30-40. Salary commensurate with ability. Send resume stating age, education, marital status, references, salary expected and reason for making change to Box Y-24, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

CLAIMS SUPERVISOR

Chicago office of old established stock company requires supervisor of automobile first and third party claims. Salary commensurate with ability. Replies confidential. Address Box Y-25, c/o The National Underwriter Co., 175 W Jackson Blvd., Chicago 4, Ill.

AVAILABLE

Minnesota field man with thirty years of heavy state-wide fire contracts, home office underwriting experience, some knowledge of casualty, excellent production record. Address Box Y-26, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

AGENCY MANAGEMENT EXECUTIVE AVAILABLE

With 10 years successful experience as General Agent. LIAMA graduate. Seeks opportunity in Miami, Florida area. Effective in personal sales; hiring and training men. Reply Box Y-27, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE MANAGER

Stock company writing Multiple Line coverages has opening in Chicago for Manager of its Fire and Marine Department. Heavy production experience desirable. Salary open. Reply Box Y-29, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED
IBM and STATISTICAL SUPERVISOR

Must be capable of setting up both systems and procedures. Age 30-40. Location—Chicago. Minimum 4 years Casualty experience. Address Box Y-30, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE ACCOUNTANT WANTED

Between 30-40 years of age, with at least 5 years Casualty experience. Must be capable of preparing Annual Statement and handling normal company books. Position in Chicago area. Address Box Y-31, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

UNDERWRITER WANTED

Excellent opportunity for Home Office Inland Marine and Fire Underwriter with a minimum of 5 years experience. Salary commensurate with ability and experience. Company has Profit Sharing Plan and hospital, surgical and life benefits for employees. Location Southern Michigan. Write Box Y-32, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ilinois.

Mich. Report On UM Deemed Sound

A comprehensive report on the uninsured motorist by a subcommittee of the governor's commission studying the problem, prepared by Municipal Judge William C. Burke of Battle Creek, has been deemed so sound an analysis that Michigan Insurance Information Service is distributing it to agents, safety organizations, and other interested persons throughout the state.

The report declares the commission failed to make "a thorough evaluation of the uninsured motorist situation . . . and its relation to the total fabric of public protection against all forms and causes of automobile accident loss," and merely sought to force a "selection, or selections, from among several proposals for legislative recommendations." The subcommittee states that "to endorse any of these proposals upon such a basis would be a gross disservice to the people . . . in whose interest we have been asked to serve."

•

The report says further that "the people of Michigan have no problem of protection against financial loss caused by an uninsured motorist," and that any of the several proposals supported by the study commission have such flaws as failing to offer any protection which does not already exist, imposing a heavy additional cost burden upon the people, and encouraging a philosophy detrimental to effective accident prevention.

After analyzing available estimates of the number of uninsured cars in the state, the subcommittee concluded that not more than 4.5% of all cars in the state now are uninsured, that the 15,000 uninsured who actually were involved in accidents last year constituted only .01% of the state's motorists, and that unsatisfied judgments represented only 1.1% of motorists involved in accidents.

Existing insurance facilities, the report declared, meet the standard of greatest protection at lowest cost for the most people, since "no one who desires to protect himself need suffer any automobile accident loss, either from an uninsured motorist or from any other cause." The various types of available coverage are listed, including the relatively new uninsured motorist endorsement which is to become an integral part of many policies during the coming year. The report noted that this type of coverage furnished, at minimum cost, protection not only against the uninsured driver proved at fault in an accident but against a hit-run or stolen car driver, or against out-of-state motorists who might be hard to reach under the state financial responsibility act.

•

The report also analyzes the financial responsibility act and declares that while it is "not perfect," it is a "good law" if enforced effectively, and "does not deserve the indifference with which it has been treated in this study."

Results of compulsory laws in other states also are analyzed in the report, particularly the bad effect of such laws on highway safety, since they "destroy the incentive for taking reckless drivers off the road by making ability to pay, rather than safety responsibility, the test for licensing." Auto rates tend to become a tax, the report states, with pressure to put the burden most unfairly on motorists in relatively accident-free areas. It also charged, that such laws "create a psychology which seeks liability awards regardless of fault in nearly every accident," and result in exorbitant rates.

The real problem in Michigan, the report concludes, is not adequate financial protection to the individual motorist, but "effective protection against accidents." A sound program for ridding the highways of incompetent drivers is the real need and "lack of effective action in driver licensing procedures" the major weakness. The subcommittee recommendation is that no vehicles be registered to unlicensed motorists, or, if the owner does not intend to drive the car, that an affidavit be furnished that it will not be driven by an unlicensed person. Operation of a car by an unlicensed driver then would result in suspension of registration.

The report notes that Secretary of State Hare, most outspoken proponent of a compulsory law, estimates there are 50,000 unlicensed drivers operating motor vehicles and has "decried lack of centralized control over driver licensing, although the Michigan vehicle code places such control exclusively in the driver and vehicle services division of the department of state."

Secretary Hare told a group discussing press freedom that he anticipated that compulsory auto insurance bills would be killed in legislative committees and that such committee proceedings should be public so that the line-up of committee votes could be ascertained definitely.

—

The executive board of Florida Assn. of Insurance Women met at the Roosevelt hotel, Jacksonville, to make plans for the forthcoming annual meeting at Deauville hotel at Miami Beach.

MOSKER EMPLOYMENT AGENCY
Insurance Specialists 34 Years
California Positions
Bond Underwriter
Supervisor $12,000
610 So. Broadway Los Angeles 14

Dietz Goes To Tenn. Assn. As Manager

E. Kearney Dietz, manager of Arkansas Assn. of Insurance Agents, has been named executive manager of Tennessee Assn. of Insurance Agents, succeeding George L. Goss, resigned.


George L. Goss


E. Kearney Dietz

After a short experience in the printing business, Mr. Dietz joined the Arkansas association four years ago.

—

Nicholas C. Masterpole, former special agent of U.S.F.&G., has opened his own agency in Syracuse.

Custance Is Secretary Of Great American

Great American, Rochester American and American National Fire have elected Walter W. Custance secretary. He formerly was assistant secretary. He is concerned with production in the metropolitan department. He has spent his entire business career with Great American group and became a special agent in suburban New York in 1939. Later he worked southern New Jersey. In 1951 he was promoted to agency superintendent in the metropolitan area.

—

Northern Mich. Agents Elect

Dickinson County (Mich.) Assn. of Insurance Agents elected Walter Holmberg of Norway as president at their meeting at Iron Mountain. He succeeds Norman LeFave, Iron Mountain. Other new officers are Sol Beauparlant, vice-president, and N. C. Bartholomew, secretary-treasurer, both of Iron Mountain.

—

North America has moved its White Plains, N. Y., office to a new six-story building at 161 Grand street.

ALWAYS READY
EXPERIENCED

Pocatello, Idaho — First Security Bank Bldg. — P. O. Box 1227, Phone 4525

Idaho Falls — 258 W. Broadway P. O. Box 293, Phone JAckson 2-3431

SCOTT WETZEL CO. UTAH-IDAHO INSURANCE ADJUSTERS

Respected adjusters strategically located throughout the Intermountain West provide immediate action on all claims.

428 SOUTH MAIN
SALT LAKE CITY, UTAH • DA 2-2541

Announcing the 1960 Bond

SURPLUS LINE BONDS

— PLUS —

License & Permit	Public Official
Court	Miscellaneous Indemnity
Contract	Bail
Fiduciary	Fidelity

Complete Bond Service

MICHIGAN SURETY COMPANY is looking for bond producers and will PAY MORE for the business.

Michigan Surety Company
Lansing, Michigan

ONE OF AMERICA'S OLDEST AND FINEST SURETY COMPANIES

SINCE 1914

YOUR SECURITY IS OUR RESPONSIBILITY TOO!

Close personal attention to Agents' requirements has long been our policy. We realize how much our Agents mean to us. For over 100 years Northern Assurance has been an Agency Company—first, last and always!

The NORTHERN ASSURANCE has provided reliable insurance protection for over 120 years.

THE NORTHERN ASSURANCE CO. Ltd.

FIRE AND ALLIED LINES • AUTOMOBILE • INLAND MARINE • REPORTING FORM • FLOATER CONTRACTS
NEW YORK CHICAGO SAN FRANCISCO

DIRECTORY OF RESPONSIBLE

INDEPENDENT ADJUSTERS B

CALIFORNIA

SERVING MOST OF SOUTHERN CALIFORNIA
• San Bernardino—456 'D' Street
• Riverside—3680 Main Street
• Santa Ana—2021 No. Main Street
• Barstow—130 E. Main Street
Jack Hill & Company

FLORIDA

RAYMOND N. POSTON, INC.
159 S.W. 8th St. Miami, Fla.
BRANCHES
FT. LAUDERDALE
521½ S. Andrews Ave.
PALM BEACH AREA
16 North L Street Lake Worth
KEY WEST
415 Fleming St.
ST. PETERSBURG
486 1st Ave.

ILLINOIS

E. S. GARD & CO.
Adjusters
CHICAGOLAND CASUALTY CLAIMS
★ ★ ★ ★ ★
175 W. Jackson Blvd., WAbash 2-8880

J. R. McGowan, Pres.
THOMAS T. NORTH, INC.
Adjusters All Lines
Phone HArrison 7-3230
175 W. Jackson Blvd., Chicago 4

ASSOCIATED CLAIM SERVICE, INC.
John S. Tasch, President
ADJUSTERS
For the Companies and Self-Insurers only
222 W. Adams Street Phone DE 2-5456

JOHN H. HUNT & CO.
330 So. Wells St. Chicago 6, Ill.
Investigators and Adjusters
ALL CASUALTY LINES
Servicing Chicago and vicinity, Waukegan, Ill., Gary, Hammond and Northwestern Indiana
Elmhurst Branch: 118 S. York Tel. TE 4-9480
Waukegan Branch: 215 W. Water St. Tel. DElta 6-8822
Gary Branch: 1228 W. 5th St. Tel. TUrner 2-9338
24 Hour Service
Phone HArrison 7-0153 Night: TErrace 4-7840

R. L. LYNCH AND COMPANY
Fire and Casualty—All Lines
H. O.—Springfield, Illinois
Illinois Branch Offices
Alton - Belleville - Decatur
Jacksonville - Peoria

LIVINGSTONE ADJUSTMENT SERVICE
619 E. Capitol Ave., Springfield, Illinois
Branch Offices: Decatur - Mattoon
Mt. Vernon - Belleville - Quincy
Covering Central and Southern Illinois
All Lines of Fire & Casualty

ILLINOIS (Cont.)

CHICAGO SUBURBAN CLAIMS SERVICE
Adjusters
STate 2-4803
100 N. La Salle St. Chicago 2, Ill.

INDIANA

JOHN H. HUNT & CO.
330 So. Wells St. Chicago 6, Ill.
Investigators and Adjusters
ALL CASUALTY LINES
Servicing Chicago and vicinity, Waukegan, Ill., Gary, Hammond and Northwestern Ind.
Elmhurst Branch: 118 S. York Tel. TE 4-9480
Waukegan Branch: 215 W. Water St. Tel. DElta 6-8822
Gary Branch: 1228 W. 5th St. Tel. TUrner 2-9338
24 Hour Service
Phone HArrison 7-0153 Night: TErrace 4-7840

NEVADA

R. L. GRESHAM & CO.
Multiple Line Adjusters
312 North 5th Street Las Vegas, Nev.
8 Adjusters Servicing 150 Mile Radius

NEW YORK

In the Insurance Industry
WORK means SERVICE
Ralph A. Work
General Adjuster for the Companies
132 Nassau St. WO 2-3913
24-HOUR SERVICE - Residence Phone RA 9-2966

OHIO

O. R. BALL, INC.
Fire - Inland Marine
Allied Lines
1544 Hanna Building
Cleveland 15, Ohio
Phone SUperior 1-7850
Night Phones: MOntrose 3-7664
FLorida 1-5095

D. J. SCOTT & SON
302 Home Savings & Loan Bldg.
Youngstown 3, Ohio
Phone RIverside 6-4661
Night: SKyline 8-5425 and SKyline 8-3978
FIRE & ALLIED LINES
35 Years Experience 24 Hour Service

THOMAS D. GEMERCHAK
Insurance Adjusters
All Lines
416 Citizens Bldg., Cleveland 14, Ohio
Phones Off. Su. 1-2666 - Res. Fa. 1-9442

R. S. LANDEN ADJUSTMENT CO.
83 So. High Street - Suite 410
Phones: Capital 8-2447
Night: Hudson 8-6578 - Franklin 2-8376
Columbus 15, Ohio
ALL LINES

OHIO (Cont.)

OHIO CLAIMS SERVICE
1000 American Bldg., Dayton
Tel: Off. MI. 8307
Res. WA. 5719 & YO. 1767
Ralph F. Kisling, Mgr.
Prompt Investigation and Adjustment of all Types of Claims for Insurance Companies.
Branch Office, 815 First Natl. Bank Bldg., Springfield, Ohio.
Tel. FA. 5-4522

QUILL - COHAN
Adjustment Company
Auto - Casualty - Fire - Inland Marine
Cargo - Yacht and Aircraft Surveyors
1313 Ciizens Building (14), Cleveland
Tel: MA. 1-4290
Night Phones: AC. 1-8178 and CL. 1-7883

LOVELL-PASCOE, INC.
ADJUSTERS & SURVEYORS
815 Erieside Cleveland 14, Ohio
Tel. SU 1-2092
Canton Branch:
820 Peoples Merchants Bank Bldg.
Tel. GL 2-7674
Elyria Branch: 313 Elyria Block

OKLAHOMA

C. R. WACKENHUTH AND SON
C. R. WACKENHUTH R. C. WACKENHUTH
ADJUSTERS FOR THE COMPANIES
ALL LINES
301 Mid-Continent Bldg., Tulsa, Oklahoma
Phones LU 2-5460 GI 7-3850

UTAH-IDAHO

SCOTT WETZEL CO. UTAH-IDAHO
INSURANCE ADJUSTERS
428 So. Main, Salt Lake City, Utah
First Security Bank Bldg., Pocatello, Idaho
258 W. Broadway, Idaho Falls, Idaho

WISCONSIN

ROY H. SCHALLER & CO., INC.
Investigators & Adjusters
Milwaukee Office
Bankers Bldg., 208 E. Wisconsin Ave.
Telephone Broadway 1-4048
Chicago Office
460 Ins. Exchange Bldg., 175 W. Jackson Blvd.
Telephone WAbash 2-3541-2

TORONTO-CANADA

ADAMSON, LTD.
Established 1894
Fire - Inland Marine - Casualty and AUTO ADJUSTERS
10 Lines to serve you.
Our cars are equipped with radio for fast efficient service.
Phone: EMpire 3-6223
9 Wellington St., East Toronto 1

Should Eye Accounts For Profitability

(CONTINUED FROM PAGE 15)

ing is not necessary—reference to coverage is made directly to policy copy or copies in file. Minimum time is required for renewal solicitation. Losses require simple reporting and follow up detail.

On the other hand, commercial accounts require special handling; they reflect complex rating and calculating detail. They require more complicated policy writing and billing procedures. Accounts receivable must be handled on an account basis. Ledger cards are convenient and necessary for the larger, more active accounts. A more complicated collection problem exists because of the activity of the account. Payments are received more often on account, and not uniformly by item or month of account. Line card maintenance is required for the large, multiple coverage accounts for reference purposes. A review of the line is required by trained production personnel at expiration of the whole or part of the line. Complicated coverage and rating situations are involved. Loss handling is complicated by coverage considerations and other company participation.

•

Because premiums and commissions are not available on small premium personal line business as it is now written, the challenge is to exploit the expense savings represented in a proper handling of personal lines through internal agency organization, Mr. Scheffey writes. Agency staff specialization or departmentalization to accomodate economic handling of personal lines is the answer.

It is obvious that only the very minimum of attention can be given to low premium personal accounts if the agency is to make a profit on them. It is uneconomical to spend the time for personal visits at renewal or to extend credit and accept partial payments in these instances. To say that certain things must be done to produce and hold the business is valid only if the business is worth holding in the first place. The opportunity to expand these accounts into worthwhile ones is obvious. Maximum use of personal lines packages that offer total family security are the answer.

Refinement and development of accounts is no part time job for the agent. It cannot be developed or administered in a slipshod manner, Mr. Scheffey believes. It requires work, a lot of it, and a firm follow up program But the rewards are well worth it.

Nationwide Names Campbell Advertising Director

Nationwide has promoted George W. Campbell Jr. to director of advertising and press relations. With the company since 1950, he has been assistant to President Murray D. Lincoln for the past three years. J. Richard Bull, editor of employe publications for the past year, is replacing Mr. Campbell as assistant to the president.

Lyle Adjustment Promotes Malarky

Joseph A. Malarky has been named manager of the Lyle Adjustment office at Kingman, Ariz. He has been with the company since 1953.

New York insurance department sponsored an organizational meeting of the proposed all-industry multiple lines advisory committee Dec. 17. The meeting was called for 10 a.m. in the hearing room of the department at 123 William street, New York.

Scene in the underwriting room as Walter Barrie, chairman of Lloyds, and Mrs. Barrie received guests at the reception.

Lloyds Opens New Building In London

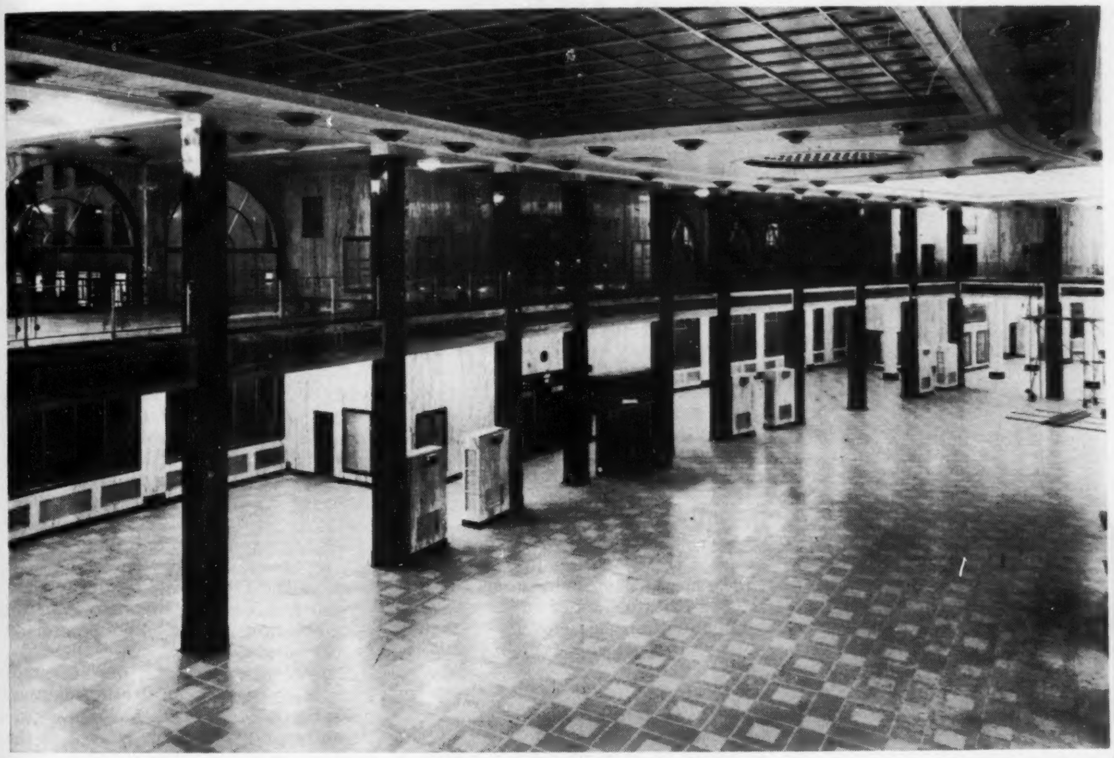
The new building housing the underwriting room and other facilities of Lloyds, London, was officially opened last month in a ceremony and reception at which the guests of honor were the Queen Mother and Princess Margaret. More than 3,200 members and guests attended.

The new underwriting room is 2½ times the size of that in the building constructed in 1930 and it will be used to handle business that is 10 times greater than that of 30 years ago. There are 4,200 underwriting members of Lloyds.

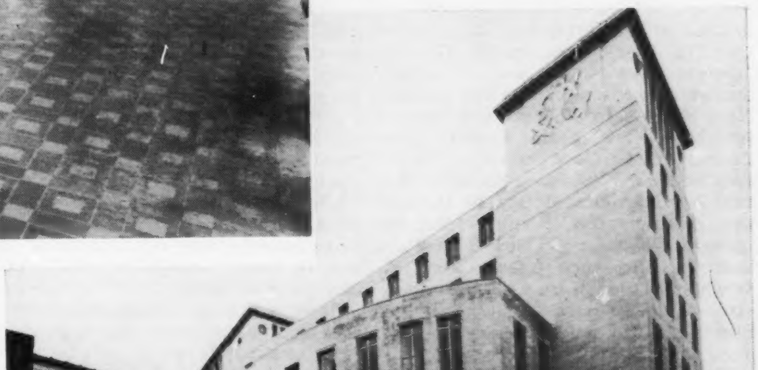
The dedication ceremony was a big event in London. The building, on Lime street, provides 40,000 square feet of space with another 10,000 available for expansion. The underwriting room is on ground and mezzanine levels, 304 feet long and 120 feet wide. The gallery floor is for non-marine underwriting and the ground floor for the relatively greater number of marine, automobile and aviation risks. This is the first time that the two main sections of the Lloyds market will be physically defined.

The underwriting boxes will be in the same pattern of those used in the coffee house. They will be laid out as island sites, affording greater privacy for transaction of business and for avoiding congestion.

Although the building was opened in the middle of November, it will probably be another month before the underwriters move in.



General view of the underwriting room in the new Lloyds building from the northeast corner of the gallery, showing the rostrum (center left) in which hangs the Lutine Bell.



The southwest corner of Lloyds new building showing the Lime street frontage. At left is the flying bridge across Lime street which connects Lloyds present building with the new one.

Great Central Plans To Increase Capital

Stockholders of Great Central of Peoria will hold a special meeting Dec. 23 to ratify an increase in capital from $800,000 to $1 million. The directors recently declared a stock dividend of $200,000 payable Dec. 30 to stock of record Dec. 16. The dividend will be paid on the basis of one share for every four shares held.

—

In **Washington, D.C.,** the annual joint luncheon of District of Columbia Assn. of Insurance Agents, Insurance Managers Assn., and Women's Insurance Club, heard an address by Eugene F. Gallagher, Chicago fire and marine manager of Standard Accident. William Kroll of Fidelity & Deposit, president of Insurance Managers Assn., the host organization, was in charge of arrangements.

Holland-America Names Sayre & Toso Manager

Sayre & Toso-W. B. Brandt, Pacific coast general agents, have been appointed managers of 11 western states, Alaska and Hawaii by Holland-America. The companies will also represent Seven Provinces as surplus line brokers for the same area. Sayre & Toso-W. B. Brandt have offices in Los Angeles, San Francisco, Seattle, Portland and Denver.

—

Trainer To Be Cincinnati Director

J. R. Trainer of the Cincinnati agency of Walter P. Dolle & Co. will become a member of the board of Cincinnati Underwriters Assn. Two present members will be elected to additional terms. They are Max Bernstein, Isaacs & Bernstein, and L. C. Graham, Thomas E. Wood agency.

To Attempt Revision Of N. Y. Property Law

(CONTINUED FROM PAGE 1)

holders by fire and marine as against casualty insurers, and varying financial requirements of insurers.

Such inconsistencies as these, he said, resulted from the lack of basic principle in multiple line laws. The drafters of multiple line legislation were more concerned with getting the laws on the books than with establishing basic principle, he said, and since then piecemeal attempts to make the law consistent have been unsatisfactory.

In discussing formation of the committee to represent business, the work of a previous group directed by John A. Diemand of North America, William E. McKell of American Surety, and the late William Winter of Atlantic Mutual, was mentioned. Mr. Schantz said that the report of this group in 1944 would and should be considered in this new study.

The department committee will be made composite with the governing committee of the business group, and in the final phase, recommendations slated to be made to the 1959 legislature will be the products of unified thinking. Subcommittees will study and various sections of multiple line business and make reports to the governing committee.

Mr. Schantz said he hoped some concrete results would be reached by Sept. 1, 1958. This date seems far off, he said, but considering the scope of the proposed undertaking the timetable is not a long one.

•

Julius S. Wikler, first deputy of the department, representing Mr. Holz at the meeting, stressed that cooperation is paramount if anything is to be achieved. He said that the results must be representative of total, unreserved agreement. The study should not be made a vehicle for the injection of individual business philosophies, he said.

Effort will be made to hold down the size of the industry governing committee. However, it was clear by the end of the meeting that those who wanted to be represented likely would be. The brokers, except for General Brokers Assn., which was not represented, agreed on George Ort of New York State Assn. of Insurance Brokers and Max Klotz of the Brokers Joint Council. R. L. Geer, executive secretary of New York State Assn. of Mutual Agents indicated that he thought one representative might be decided upon by his group and New York State Assn. of Insurance Agents. John C. Weghorn of New York City will represent National Assn. of Casualty & Surety Agents, and A. E. Mezey New York City agents.

Mr. Schantz said he didn't want producers left out—he doesn't want to get up legislative proposals and then find that producers oppose them.

•

The advance premium cooperatives indicated they wanted to be represented, as did Associated Reciprocal Exchanges, as did individual insurers.

H. Richard Heilman, vice-president of North America said North America wanted to be represented on the governing committee. When reaction was expressed to this, he pointed out that North America is now so independent it doesn't even belong to the independents, and there is no organization to represent it.

American Casualty also indicated it wanted to express its views, notably when the committee gets into the area of rating.

Organizations, it was suggested, would be represented by a member to the governing committee and an alternate. Among the organizations desiring a place on the committee are American Institute of Marine Underwriters, Assn. of Casualty & Surety Companies, American Mutual Insurance Alliance, Inland Marine Underwriters Assn., Multi-Peril Insurance Conference, National Board and National Assn. of Independent Insurers.

Michael J. Murphy of Assn. of New York State Mutual Casualty Companies indicated his organization might want representation but will discuss the matter with American Mutual Insurance Alliance.

It was also agreed that the rating bureaus probably would want to be represented on the subcommittee which will be named to go into the rating laws. Mr. Schantz will furnish the governing committee, when it gets organized, with departmental ideas of areas in which subcommittees will be needed. In turn committee members will furnish ideas to the department. Mr. Schantz also indicated that there is likely to be representation on subcommittees of interests not represented on the governing committee, where that is necessary.

Recommends Fire, Casualty Stocks For Growth

(CONTINUED FROM PAGE 1)

in many years to basic long-term investment values.

1. According to Kidder, Peabody & Co., the stocks of the 30 insurers Mr. Chaut treats in detail are now available in their highest yield basis in at least 15 years (on the basis of month-end yields). The current average yield of 4.85% compares with a 15-year average of only 4%. These stocks would increase over 20% in price if this long-term average yield basis were to be reached.

The current 58% relationship of price to estimated adjusted net worth (so-called "liquidating value") is the lowest since 1935 (as far back as Kidder, Peabody & Co. records go), except for a short interval at the "lows" of 1956. Although net worth for most companies has probably declined since figures, Mr. Chaut estimates that the market discount from this important statistical measure remains historically high. These stocks would increase 35% in price if the average 21.1% discount from adjusted worth reported over the last 22 years were to be approximated.

With 30 major stocks currently selling at only 11 times pre-tax investment income alone, they are attractive on this statistical basis. Furthermore, effective federal income tax rates (which averaged about 17% last year) have been consistently reduced in recent years as greater proportions of invested assets have gone to tax-exempt securities, so that current market relationships to after-tax investment income would actually be reflected on a more advantageous basis. These stocks would increase 45% in price if the average 16 times pre-tax investment income relationship of the last 16 years were to be established, Mr. Chaut declares.

After listing the causes for the current poor experience of the insurers, Mr. Chaut points out several favorable factors. In 1957 more than 40 states granted increases averaging 12 to 15% on basic auto coverages. A second round of auto rate rises seems to be developing.

Even in those states where pressures have kept auto rates low, the business is acting with dispatch to improve its position. He cites Massachusetts, where the companies went to court and got their rate increase, and New York, where they are going to court over an increase disapproval.

California and Washington recently increased fire rates 13 to 14%. More fire rate increases are expected. A reduction in the term discount has helped. Mandatory deductible for extended coverage has gone into effect in more states. The business has conducted an insurance to value campaign.

While about 70% of the expenses of stock insurers are directly related to premium income—commissions, taxes, etc., over which management has relatively little control, in the area of other expenses the introduction of electronic machinery is likely to result in economies. This business requires large statistical and bookkeeping facilities, and labor saving machinery should provide excellent means of cost reduction. Also, electronic aids should enable the business to shorten the time between assembly of loss data and determination of rates.

In the loss field the effort to reduce the term from five to three years may help, he observes. Broadened coverages are being trimmed somewhat or are being charged for. In education, especially teen-age driving, the business is taking steps to instruct the public in loss prevention. Also, the general trend of prices makes fire-casualty stocks attractive post-inflation investments.

Long term problems, Mr. Chaut writes, include direct writer competition. Here he states "there appears to be no other real answer to the problem posed than some reduction in commission payments," particularly the mass produced lines of private passenger automobile and single dwelling fire insurance. Some moves in this direction have been made, and he cites the reduction from 25 to 15% in the commission paid on class 2 auto BI and PDL in Connecticut.

Combination policies have helped meet the direct writer competition, he adds.

In rate-making, more of the trend of losses should be included.

Mr. Chaut is enthusiastic about earnings on present market prices of the 30 insurers he selected for this analysis. This earning before taxes is 9.1% on present market prices solely from interest and dividends on portfolio holdings. He thinks it likely that in two or three years numerous insurers will be earning 15 to 20% on present stock prices, before taxes.

On a yield basis alone, he writes, "many insurance stocks appear to offer substantial attraction, pending the full restoration of underwriting earning power."

The 30 companies he selects for earning are Aetna Casualty, Aetna Fire, American Equitable, American, American Surety, Boston, Continental Casualty, Continental, Employers, Federal, Fidelity-Phenix, Fire Association, Fireman's Fund, Glens Falls, Great American, Hanover, Hartford Fire, Home, North America, Maryland Casualty, National Union Fire, New Amsterdam, Northern of New York, Phoenix of Hartford, St. Paul F.&M., Springfield F.&M., Standard Accident, U.S.F.&G., Westchester Fire, and Western Casualty & Surety.

E. A. Henne To Retire After 45 Years With Amer. Fore

(CONTINUED FROM PAGE 1)

derwriters Assn., past chairman of the subscribers actuarial committee of Western Actuarial Bureau, past president of Western Adjustment, and past president of Underwriters Salvage Co.

Mr. Henne, who marked his 80th birthday July 1, is the dean of the fire managers in Chicago, a position which will be assumed Jan. 1 by H. A. Clark of Firemen's.

In association with Russell Hobbs, then manager of Western Actuarial Bureau, Mr. Henne, as chairman of the subscribers committee, has had immense influence over the fire insurance business in some 18 western states. The path taken by the organization stock companies was the one of Mr. Henne's choosing or approval. Such concentration of power in an individual led, naturally, to some disagreements and controversies, but the integrity of Mr. Henne in his position was never challenged.

Mr. Henne is, of course, of the old guard. Western managers are not appointed these days with anything approaching the degree of authority Mr. Henne holds with his own companies —and certainly not with such influence and authority in the ranks of the entire business. Mr. Henne has been a man of strong personal convictions with the leverage to make his will prevail on many occasions. His position as leader in the west was not disrupted even by the SEUA decision—and it was not until the makeup of Western Actuarial Bureau was changed only a few years ago when Mr. Hobbs retired that his supremacy was altered.

Mr. Henne has the vital quality of a leader that enables him to take an interest in the problems and conversation of visitors and callers. He does not hesitate to disagree, but a difference of opinion is not a matter for personal animosity with him.

Mr. Henne was in charge of the America Fore companies when they had their western offices in the present Railroad Retirement Board building on Rush street, when the offices were in the Field building on La Salle street, and now in the new America Fore building at Jackson boulevard and Wacker drive.

Despite his years and despite problems of eyesight necessitating cataract operations, Mr. Henne has been consistently at his desk in charge of the western affairs of America Fore.

He will be feted at a luncheon to be given in his honor soon after Jan. 1 at the Union League Club in Chicago by J. Victor Herd, chairman and president of America Fore.

•

The son of a former Indiana state agent of Continental, Mr. Winter was in local agency work prior to joining Continental as a farm special agent in Oklahoma in 1922. Transferred to Chicago the following year, he later returned to the field in South Dakota, Tennessee, Indiana and Ohio. He joined the recording department of Fidelity-Phenix in 1929, but returned to the Ohio field in 1930, and subsequently was named state agent there. Appointed an executive assistant at Chicago in 1947, he became an assistant secretary of the fire companies the following year, secretary in 1953, and a vice-president in 1954.

—

Kings County (N. Y.) Brokers Assn. has been organized and has elected Edward Cirlin, Brooklyn, president.

Put yourself 3 to 5 years ahead at INA's School for Agents

As competition tightens, selling toughens. The agent with the right training is better equipped for the game. He can develop sound programs of protection that will get and hold insurance.

INA's School for Agents in historic Philadelphia has made better producers of more than 1200 graduate agents from the U. S., Canada and distant places of the world.

The course is an intensive 8-week session—practical, full of information and geared to today's selling conditions. Friendly instructors who know their subjects will give you a firm foundation in insurance principles. You'll have 2½ weeks in Personal Lines, with 5½ weeks allocated to programming Business Risks. Tuition is free to INA agents.

Find out more about the training that can become your biggest asset. Ask the INA Service Office Manager in your territory.

Insurance Company of North America • Indemnity Insurance Company of North America • Philadelphia Fire and Marine Insurance Company Life Insurance Company of North America • Philadelphia

INSURANCE BY NORTH AMERICA

REINSURANCE

MODERN UNDERWRITING

meets current demand by constant use of expertly devised and equitably administered REINSURANCE.

Pinpoint the name EMPLOYERS when Reinsurance is discussed.

MULTIPLE LINES

EMPLOYERS REINSURANCE CORPORATION

KANSAS CITY, MISSOURI
21 West 10th St.

NEW YORK	CHICAGO	SAN FRANCISCO
107 William St.	175 W. Jackson	100 Bush St.